

REGENCY CENTERS CORP  
Form 10-Q  
May 08, 2008  
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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, 2008

-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)

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**Florida**  
(State or other jurisdiction of  
incorporation or organization)

**59-3191743**  
(IRS Employer  
Identification No.)

**One Independent Drive, Suite 114**

**Jacksonville, Florida 32202**

(Address of principal executive offices) (Zip Code)

**(904) 598-7000**

(Registrant's telephone number, including area code)

**Unchanged**

(Former name, former address and former fiscal year,  
if changed since last report)

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, 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.

(Check One): Large accelerated filer  Accelerated filer  Non-accelerated filer   
Smaller reporting company  (Do not check if a smaller reporting company)

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, 2008, there were 69,927,094 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, 2008 and December 31, 2007****(in thousands, except share data)**

	<b>2008</b>	<b>2007</b>
	<b>(unaudited)</b>	
<b><u>Assets</u></b>		
Real estate investments at cost:		
Land	\$ 986,700	968,859
Buildings and improvements	2,130,320	2,090,497
	3,117,020	3,059,356
Less: accumulated depreciation	518,614	497,498
	2,598,406	2,561,858
Properties in development	928,083	905,929
Investments in real estate partnerships	430,889	432,910
Net real estate investments	3,957,378	3,900,697
Cash and cash equivalents	29,212	18,668
Notes receivable	32,413	44,543
Tenant receivables, net of allowance for uncollectible accounts of \$2,547 and \$2,482 at March 31, 2008 and December 31, 2007, respectively	67,461	75,441
Deferred costs, less accumulated amortization of \$46,265 and \$43,470 at March 31, 2008 and December 31, 2007, respectively	56,675	52,784
Acquired lease intangible assets, less accumulated amortization of \$8,373 and \$7,362 at March 31, 2008 and December 31, 2007, respectively	16,217	17,228
Other assets	36,356	33,651
<b>Total assets</b>	<b>\$ 4,195,712</b>	<b>4,143,012</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b>Liabilities:</b>		
Notes payable	\$ 1,798,833	1,799,975
Unsecured credit facilities	309,667	208,000
Accounts payable and other liabilities	147,292	164,479
Acquired lease intangible liabilities, less accumulated accretion of \$6,949 and \$6,371 at March 31, 2008 and December 31, 2007, respectively	9,776	10,354
Tenants' security and escrow deposits	11,776	11,436
<b>Total liabilities</b>	<b>2,277,344</b>	<b>2,194,244</b>
Preferred units	49,158	49,158

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Exchangeable operating partnership units, aggregate redemption value of \$30,321 and \$30,543 at March 31, 2008 and December 31, 2007, respectively	10,531	10,832
Limited partners' interest in consolidated partnerships	18,334	18,392
<b>Total minority interest</b>	<b>78,023</b>	<b>78,382</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value per share, 30,000,000 shares authorized; 11,000,000 Series 3-5 shares issued and outstanding at March 31, 2008 with liquidation preferences of \$25 and 800,000 Series 3 and 4 shares and 3,000,000 Series 5 shares issued and outstanding at December 31, 2007 with liquidation preferences of \$250 and \$25 per share, respectively	275,000	275,000
Common stock \$.01 par value per share, 150,000,000 shares authorized; 75,520,392 and 75,168,662 shares issued at March 31, 2008 and December 31, 2007, respectively	755	752
Treasury stock at cost, 5,598,211 and 5,530,025 shares held at March 31, 2008 and December 31, 2007, respectively	(111,414)	(111,414)
Additional paid in capital	1,769,327	1,766,280
Accumulated other comprehensive income (loss)	(28,274)	(18,916)
Distributions in excess of net income	(65,049)	(41,316)
<b>Total stockholders' equity</b>	<b>1,840,345</b>	<b>1,870,386</b>
	<b>\$ 4,195,712</b>	<b>4,143,012</b>

See accompanying notes to consolidated financial statements.

**Table of Contents****REGENCY CENTERS CORPORATION****Consolidated Statements of Operations****For the three months ended March 31, 2008 and 2007****(in thousands, except per share data)****(unaudited)**

	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>		
Minimum rent	\$ 85,605	77,213
Percentage rent	800	735
Recoveries from tenants	24,796	22,084
Management, acquisition, and other fees	8,447	6,381
<b>Total revenues</b>	<b>119,648</b>	<b>106,413</b>
<b>Operating expenses:</b>		
Depreciation and amortization	25,522	21,451
Operating and maintenance	15,504	12,996
General and administrative	14,123	12,297
Real estate taxes	12,878	11,348
Other expenses	797	460
<b>Total operating expenses</b>	<b>68,824</b>	<b>58,552</b>
<b>Other expense (income):</b>		
Interest expense, net of interest income of \$880 and \$719 in 2008 and 2007, respectively	22,538	19,389
Gain on sale of operating properties and properties in development	(2,934)	(25,645)
Provision for loss on real estate investments	716	
<b>Total other expense (income)</b>	<b>20,320</b>	<b>(6,256)</b>
<b>Income before minority interests and equity in income (loss) of investments in real estate partnerships</b>	<b>30,504</b>	<b>54,117</b>
Minority interest of preferred units	(931)	(931)
Minority interest of exchangeable operating partnership units	(214)	(539)
Minority interest of limited partners	(257)	(278)
Equity in income of investments in real estate partnerships	2,635	3,788
<b>Income from continuing operations</b>	<b>31,737</b>	<b>56,157</b>
<b>Discontinued operations, net:</b>		
Operating (loss) income from discontinued operations	(99)	831
<b>Income from discontinued operations</b>	<b>(99)</b>	<b>831</b>
<b>Net income</b>	<b>31,638</b>	<b>56,988</b>
Preferred stock dividends	(4,919)	(4,919)
<b>Net income for common stockholders</b>	<b>\$ 26,719</b>	<b>52,069</b>

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Income per common share basic:		
Continuing operations	\$ 0.38	0.74
Discontinued operations	0.00	0.01
Net income for common stockholders per share	\$ 0.38	0.75
Income per common share diluted:		
Continuing operations	\$ 0.38	0.74
Discontinued operations	0.00	0.01
Net income for common stockholders per share	\$ 0.38	0.75

See accompanying notes to consolidated financial statements.

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## REGENCY CENTERS CORPORATION

## Consolidated Statement of Stockholders' Equity and Comprehensive Income (Loss)

For the three months ended March 31, 2008

(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
<b>Balance at December 31, 2007</b>	\$ 275,000	752	(111,414)	1,766,280	(18,916)	(41,316)	1,870,386
Comprehensive Income:							
Net income						31,638	31,638
Amortization of loss on derivative instruments					327		327
Change in fair value of derivative instruments					(9,685)		(9,685)
Total comprehensive income							22,280
Restricted stock issued, net of amortization		3		5,215			5,218
Common stock redeemed for taxes withheld for stock based compensation, net				(2,338)			(2,338)
Common stock issued for partnership units exchanged				232			232
Reallocation of minority interest				(62)			(62)
Cash dividends declared:							
Preferred stock						(4,919)	(4,919)
Common stock (\$0.725 per share)						(50,452)	(50,452)
<b>Balance at March 31, 2008</b>	\$ 275,000	755	(111,414)	1,769,327	(28,274)	(65,049)	1,840,345

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, 2008 and 2007****(in thousands)****(unaudited)**

	<b>2008</b>	<b>2007</b>
Cash flows from operating activities:		
Net income	\$ 31,638	56,988
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,522	21,518
Deferred loan cost and debt premium amortization	980	711
Stock based compensation	5,570	5,034
Minority interest of preferred units	931	931
Minority interest of exchangeable operating partnership units	213	547
Minority interest of limited partners	257	278
Equity in income of investments in real estate partnerships	(2,635)	(3,788)
Net gain on sale of properties	(2,934)	(25,645)
Provision for loss on real estate investments	716	
Distribution of earnings from operations of investments in real estate partnerships		