

Terreno Realty Corp
Form 10-Q
August 07, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2012

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 001-34603

Terreno Realty Corporation

(Exact Name of Registrant as Specified in Its Charter)

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Maryland
(State or Other Jurisdiction of
Incorporation or Organization)
101 Montgomery Street, Suite 200
San Francisco, CA
(Address of Principal Executive Offices)
27-1262675
(I.R.S. Employer
Identification No.)
94104
(Zip Code)
Registrant's telephone number, including area code: (415) 655-4580

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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

The registrant had 13,434,889 shares of its common stock, \$0.01 par value per share, outstanding as of August 7, 2012.

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(in thousands except share and per share data)

	<i>June 30, 2012</i> <i>(Unaudited)</i>	<i>December 31, 2011</i>
ASSETS		
Investments in real estate		
Land	\$ 170,687	\$ 133,464
Buildings and improvements	156,420	116,287
Intangible assets	17,913	14,833
Total investments in properties	345,020	264,584
Accumulated depreciation and amortization	(10,818)	(7,063)
Net investments in properties	334,202	257,521
Cash and cash equivalents	4,705	3,249
Restricted cash	4,332	2,139
Deferred financing costs, net	1,956	770
Other assets, net	6,239	3,370
Total assets	\$ 351,434	\$ 267,049
 LIABILITIES AND EQUITY		
Liabilities		
Credit facility	\$ 22,000	\$ 41,000
Term loan payable	10,050	20,050
Mortgage loans payable	97,391	38,265
Security deposits	2,268	1,772
Intangible liabilities, net	965	913
Accounts payable and other liabilities	7,382	6,038
Total liabilities	140,056	108,038
Commitments and contingencies (Note 8)		
Equity		
Stockholders' equity		
Preferred stock: \$0.01 par value, 100,000,000 shares authorized, and no shares issued and outstanding		
Common stock: \$0.01 par value, 400,000,000 shares authorized, and 13,434,889 and 9,308,670 shares issued and outstanding, respectively		
	133	91
Additional paid-in capital	220,374	168,039
Accumulated deficit	(9,129)	(9,119)
Total stockholders' equity	211,378	159,011
Total liabilities and equity	\$ 351,434	\$ 267,049

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

Table of Contents**Terreno Realty Corporation****Consolidated Statements of Operations and Comprehensive Income (Loss)****(in thousands except share and per share data)****(Unaudited)**

	<i>For the Three Months Ended June 30,</i>		<i>For the Six Months Ended June 30,</i>	
	2012	2011	2012	2011
REVENUES				
Rental revenues	\$ 6,051	\$ 2,919	\$ 11,357	\$ 5,502
Tenant expense reimbursements	1,548	847	2,848	1,634
Total revenues	7,599	3,766	14,205	7,136
COSTS AND EXPENSES				
Property operating expenses	2,100	1,488	4,008	2,951
Depreciation and amortization	1,918	1,042	3,743	2,001
General and administrative	1,886	1,480	3,301	3,088
Acquisition costs	324	1,256	1,038	1,538
Total costs and expenses	6,228	5,266	12,090	9,578
OTHER INCOME (EXPENSE)				
Interest and other income	2	3	3	7
Interest expense, including amortization	(1,116)	(464)	(2,128)	(832)
Total other income and expenses	(1,114)	(461)	(2,125)	(825)
Net and comprehensive income (loss)	257	(1,961)	(10)	(3,267)
Allocation to participating securities	(2)			
Net and comprehensive income (loss) available to common stockholders	\$ 255	\$ (1,961)	\$ (10)	\$ (3,267)
Basic and Diluted net income (loss) available to common stockholders per share	\$ 0.02	\$ (0.21)	\$ (0.00)	\$ (0.36)
Basic and Diluted Weighted Average Common Shares Outstanding				
	13,276,892	9,164,741	12,983,363	9,148,890
Dividends Declared per Common Share	\$ 0.12	\$ 0.10	\$ 0.22	\$ 0.20

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

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Terreno Realty Corporation
Consolidated Statement of Equity
(in thousands except share data)
(Unaudited)

	Common Stock Number of Shares	Amount	Additional Paid- in Capital	Accumulated Deficit	Total
Balance as of December 31, 2011	9,308,670	\$ 91	\$ 168,039	\$ (9,119)	\$ 159,011
Net and comprehensive loss				(10)	(10)
Issuance of common stock, net of issuance costs of \$305	4,083,269	42	55,007		55,049
Repurchase of common stock	(4,586)		(79)		(79)
Issuance of restricted stock	47,536				
Stock-based compensation			360		360
Dividends			(2,953)		(2,953)
Balance as of June 30, 2012	13,434,889	\$ 133	\$ 220,374	\$ (9,129)	\$ 211,378

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

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Terreno Realty Corporation

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	<i>For the Six Months Ended June 30,</i>	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (10)	\$ (3,267)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Straight-line rents	(2,080)	(807)
Amortization of lease intangibles	169	253
Depreciation and amortization	3,743	2,001
Deferred financing cost and mortgage premium amortization	273	100
Stock-based compensation	701	818
Changes in assets and liabilities		