

NEW PLAN EXCEL REALTY TRUST INC
Form 8-K
December 27, 2002

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 12, 2002**

NEW PLAN EXCEL REALTY TRUST, INC.

(Exact name of Company as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-12244
(Commission
File Number)

33-0160389
(IRS Employer
Identification Number)

1120 Avenue of the Americas, 12th Floor
New York, New York
(Address of principal executive offices)

10036
(Zip Code)

Company's telephone number, including area code:
(212) 869-3000

Not applicable
(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

On December 12, 2002, New Plan Excel Realty Trust, Inc. (the "Company") closed on 57 community and neighborhood shopping centers from Equity Investment Group ("EIG"), a private retail focused REIT. The acquisition of one additional shopping center from EIG is expected to close in January 2003.

The aggregate purchase price for the acquisition was approximately \$437 million, consisting of the assumption of approximately \$149 million of outstanding indebtedness, the issuance of approximately \$25 million of units in a partnership controlled by the Company and approximately \$263 million in cash. The cash component of the acquisition was financed with proceeds from the sale of four factory outlet centers to Chelsea Property Group, which closed on December 19, 2002 and generated gross proceeds of approximately \$193 million, and through borrowings under the Company's existing credit facility with Fleet National Bank as lead agent.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Properties Acquired

The financial statements and other information required pursuant to Rule 3-14 of Regulation S-X are included herein. See the financial statements and *pro forma* financial information attached hereto.

(b) Pro forma financial information

The *pro forma* financial statements required pursuant to Article 11 of Regulation S-X are included herein. See the financial statements and *pro forma* financial information attached hereto.

(c) Exhibits

The following exhibits are filed as part of this report:

- 2.1 Purchase Agreement, dated as of October 17, 2002, by and between the Company and EIG Realty, Inc.
- 2.2 First Amendment to Purchase Agreement, dated as of November 6, 2002, by and between the Company and EIG Realty, Inc.
- 2.3 Closing Day Amendment to Purchase Agreement, dated as of December 12, 2002, by and between the Company and EIG Realty, Inc.
- 2.4 Purchase Agreement, dated as of October 17, 2002, by and among the Company, RIG Hunt River Commons, LLC, RIG Paradise Pavilion, LLC and RIG Hilltop Plaza, LLC.
- 2.5 First Amendment to Purchase Agreement, dated as of November 6, 2002, by and among the Company, RIG Hunt River Commons, LLC, RIG Paradise Pavilion, LLC, RIG Hilltop Plaza, LLC and RIG Normandy Square, LLC.
- 2.6 Closing Day Amendment to Purchase Agreement, dated as of December 12, 2002, by and among the Company, RIG Hunt River Commons, LLC, RIG Paradise Pavilion, LLC, RIG Hilltop Plaza, LLC and RIG Normandy Square, LLC.
- 2.7 Purchase Agreement, dated as of October 17, 2002, by and between the Company and EIG Operating Partnership, L.P.
- 2.8 First Amendment to Purchase Agreement, dated as of November 6, 2002, by and between the Company and EIG Operating Partnership, L.P.

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- 2.9 Closing Day Amendment to Purchase Agreement, dated as of December 12, 2002, by and between the Company and EIG Operating Partnership, L.P.
 - 2.10 Contribution Agreement, dated as of October 17, 2002, by and between Excel Realty Partners, L.P. and EIG Operating Partnership, L.P.
 - 2.11 First Amendment to Contribution Agreement, dated as of November 6, 2002, by and between Excel Realty Partners, L.P. and EIG Operating Partnership, L.P.

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- 2.12 Second Amendment to Contribution Agreement, dated as of December 9, 2002, by and between Excel Realty Partners, L.P. and EIG Operating Partnership, L.P.
- 2.13 Closing Day Amendment to Contribution Agreement, dated as of December 12, 2002, by and between Excel Realty Partners, L.P. and EIG Operating Partnership, L.P.
- 4.1 Registration Rights Agreement, dated as of December 12, 2002, by and between the Company and EIG Operating Partnership, L.P.
- 4.2 Registration Rights Agreement, dated as of December 12, 2002, by and between the Company and EIG Operating Partnership, L.P.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEW PLAN EXCEL REALTY TRUST, INC.

Date: December 27, 2002

By: /s/ STEVEN F. SIEGEL

Steven F. Siegel
Executive Vice President, General Counsel and Secretary

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NEW PLAN EXCEL REALTY TRUST, INC. AND SUBSIDIARIES

**Pro Forma Consolidated Balance Sheet
September 30, 2002
(unaudited, in thousands)**

	<u>Historical(a)</u>	<u>EIG Acquisition(b)</u>	<u>Factory Outlet Disposition(c)</u>	<u>Pro Forma</u>
ASSETS				
Real estate:				
Land	\$ 731,480	\$ 136,416(b1)	\$ (11,137)(c1)	\$ 856,759
Building and improvements	2,599,462	318,304(b1)	(127,776)(c1)	2,789,990
Accumulated depreciation and amortization	(310,113)		28,249(c1)	(281,864)
Net real estate	3,020,829	454,720	(110,664)	3,364,885
Real estate held for sale	44,743			44,743
Cash and cash equivalents	6,384	1,030(b2)		7,414
Restricted cash	13,126			13,126
Marketable securities	2,098			2,098
Receivables:				
Trade, less allowance for doubtful accounts of \$14,874	46,408			46,408
Other, net	18,965			18,965
Mortgages and notes receivable	2,939			2,939

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	<u>Historical(a)</u>	<u>EIG Acquisition(b)</u>	<u>Factory Outlet Disposition(c)</u>	<u>Pro Forma</u>
Prepaid expenses and deferred charges	24,480			24,480
Investment in/advances to unconsolidated ventures	53,518			53,518
Other assets	21,663			21,663
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 3,255,153	\$ 455,750	\$ (110,664)	\$ 3,600,239
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Mortgages payable, including unamortized premium of \$5,059	\$ 504,743	\$ 163,372(b3)		\$ 668,115
Notes payable, net of unamortized discount of \$2,325	783,873			783,873
Credit facilities	185,000	265,788(b1)	(193,000)(c2)	257,788
Capital leases	28,961			28,961
Other liabilities	152,786			152,786
Tenant security deposits	8,213	1,030(b2)		9,243
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,663,576	430,190	(193,000)	1,900,766
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Minority interest in consolidated partnership	13,966	25,560(b1)		39,526
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Commitments and contingencies				
Stockholders' equity:				
Preferred stock	8			8
Common stock	968			968
Additional paid-in capital	1,825,654			1,825,654
Accumulated other comprehensive loss	(979)			(979)
Accumulated distribution in excess of net income	(248,040)		82,336(c3)	(165,704)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total stockholders' equity	\$ 1,577,611		82,336	\$ 1,659,947
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and stockholders' equity	\$ 3,255,153	\$ 455,750	\$ (110,664)	\$ 3,600,239
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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NEW PLAN EXCEL REALTY TRUST, INC. AND SUBSIDIARIES

Notes to Pro Forma Consolidated Balance Sheet
September 30, 2002
(unaudited, in thousands, except per share amounts)

Presentation

The preceding pro forma consolidated balance sheet as of September 30, 2002 presents the historical amounts for New Plan Excel Realty Trust, Inc. and its subsidiaries (collectively the "Company"), adjusted for the effects of (i) the acquisition by the Company of 58 community and neighborhood shopping centers from Equity Investment Group (the "EIG Acquisition"), and (ii) the disposition by the Company of four of its factory outlet properties (the "Factory Outlet Disposition"), as if such transactions had occurred on September 30, 2002.

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The pro forma consolidated balance sheet should be read in conjunction with the pro forma consolidated statement of operations of the Company and the historical financial statements and notes thereto of the Company presented in the Company's Form 10-Q for the quarter ended September 30, 2002.

The pro forma consolidated balance sheet is unaudited and is not necessarily indicative of what the actual financial position of the Company would have been had the transactions described above actually occurred on September 30, 2002, nor does it purport to represent the future financial position of the Company.

Notes and Management Assumptions

(a) Reflects the consolidated historical balance sheet of the Company as of September 30, 2002, as contained in the historical consolidated financial statements and notes thereto presented in the Company's Form 10-Q for the quarter ended September 30, 2002.

(b) Represents adjustments to reflect the EIG Acquisition as follows:

(b1) Represents the approximate, aggregate acquisition costs incurred by the Company (allocated among land and building) to effect the EIG Acquisition, based on the terms of the contract. Includes the following:

Cash	\$	261,788
Assumed debt		163,372
Partnership units issued		25,560(1)
Estimated transaction-related costs		4,000
		<hr/>
Total	\$	454,720
		<hr/>

(1) The Company issued approximately 1.4 million units in a partnership controlled by the Company, which units may be redeemed for cash or stock of the Company beginning one year after the date of issuance.

The cash component and estimated transaction-related costs of the EIG Acquisition were financed through a draw on the Company's existing credit facilities.

(b2) Represents adjustments for security deposits received by the Company upon the closing of the EIG Acquisition.

(b3) Represents the fair market value of the mortgage debt assumed by the Company, comprised of principal of approximately \$149,652 and premium of approximately \$13,720.

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(c) Represents adjustments to reflect the Factory Outlet Disposition as follows:

(c1) Represents the sale of all real estate assets and the related accumulated depreciation.

(c2) Represents the application of net proceeds to pay down amounts outstanding under the Company's existing credit facilities.

(c3)

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Represents estimated gain on the sale of the Factory Outlet Disposition.

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NEW PLAN EXCEL REALTY TRUST, INC. AND SUBSIDIARIES

Pro Forma Consolidated Statement of Operations
For the Nine Months Ended September 30, 2002
(unaudited, in thousands, except per share amounts)

	Pro Forma Adjustments							Pro Forma
	Historical(a)	Factory Outlet Historical(b)	EIG Acquisition Historical(c)	Center America Historical(d)	EIG Acquisition(e)	Center America Acquisition(f)	Other(g)	
Rental revenues:								
Rental income	\$ 247,209	\$ (17,601)	\$ 37,521	\$ 12,212		\$ 124(f1)		\$ 279,465
Percentage rents	6,212	(1,166)		144				5,190
Expense reimbursements	57,553	(3,269)	7,846	2,887				65,017
Total rental revenues	310,974	(22,036)	45,367	15,243		124		349,672
Expenses:								
Operating costs	53,426	(5,202)	7,582	1,442				57,248
Real estate and other taxes	34,984	(1,103)	5,115	2,028				41,024
Interest	68,371			824	7,658(e1)	2,640(f2)	5,488(g1)	84,981
Depreciation and amortization	52,143	(2,805)			5,788(e2)	2,177(f3)		57,303
Provision for doubtful accounts	7,093	(255)		789				7,627
General and administrative	13,329	(9)	788	582				14,690
Total expenses	229,346	(9,374)	13,485	5,665	13,446	4,817	5,488	262,873
Income before real estate sales, impairment of real estate, minority interest and other income and expenses	81,628	(12,662)	31,882	9,578	(13,446)	(4,693)	(5,488)	86,799
Other income and expenses:								
Interest, dividend and other income	8,792	(3)						8,789
Equity participation in ERT								
Equity in income of unconsolidated ventures	3,733					(28)(f3)		3,705
Foreign currency loss	(13)							(13)
	371							371

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Pro Forma Adjustments

Gain on sale of real estate									
Impairment of real estate	(1,750)								(1,750)
Minority interest in income of consolidated partnership	(418)				(776)(e3)				(1,194)
Income from continuing operations	\$ 92,343	\$ (12,665)	\$ 31,882	\$ 9,578	\$ (14,222)	\$ (4,721)	\$ (5,488)	\$	\$ 96,707
Income from continuing operations per common share									
Basic	\$ 0.88								\$ 0.92
Diluted	\$ 0.87								\$ 0.90
Average shares outstanding basic	94,519								95,227(g3)
Average shares outstanding diluted	96,123								98,213(g3)

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NEW PLAN EXCEL REALTY TRUST, INC. AND SUBSIDIARIES

Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2001
(unaudited, in thousands, except per share amounts)

	Pro Forma Adjustments							Pro Forma
	Historical(a)	Factory Outlet Historical(b)	EIG Acquisition Historical(c)	Center America Historical(d)	EIG Acquisition (e)	Center America Acquisition(f)	Other (g)	
Rental revenues:								
Rental income	\$ 270,244	\$ (22,992)	46,693	\$ 68,956	\$	\$ 163(f1)	\$	\$ 363,064
Percentage rents	7,139	(1,763)		1,150				6,526
Expense reimbursements	61,026	(4,457)	10,388	18,233				85,190
Total rental revenues	338,409	(29,212)	57,081	88,339		163		454,780
Expenses:								
Operating costs	56,698	(6,324)	8,598	12,631				71,603
	35,424	(1,430)	6,322	12,319				52,635

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Pro Forma Adjustments

Real estate and other taxes					
Interest	78,779		10,211(e1)	15,838(f2)	9,244(g1) 114,072
Depreciation and amortization	57,615	(3,870)	7,718(e2)	13,064(f3)	74,527
Provision for doubtful accounts	6,453	(671)	1,527		7,309
Severance costs	896				896
General and administrative	10,318	(13)	1,424		