

URSTADT BIDDLE PROPERTIES INC
Form 10-Q
June 08, 2018
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 April 30, 2018

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 1-12803

Urstadt Biddle Properties Inc.
(Exact Name of Registrant in its Charter)

Maryland 04-2458042
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

321 Railroad Avenue, Greenwich, CT 06830
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (203) 863-8200

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 website, 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

Emerging growth 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 check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of June 4, 2018 (latest date practicable), the number of shares of the Registrant's classes of Common Stock and Class A Common Stock outstanding was: 9,819,765 Common Shares, par value \$.01 per share, and 29,813,113 Class A Common Shares, par value \$.01 per share.

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Urstadt Biddle Properties Inc.

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	April 30, 2018 (Unaudited)	October 31, 2017
Assets		
Real Estate Investments:		
Real Estate– at cost	\$ 1,112,269	\$ 1,090,402
Less: Accumulated depreciation	(207,138)	(195,020)
	905,131	895,382
Investments in and advances to unconsolidated joint ventures	38,083	38,049
	943,214	933,431
Cash and cash equivalents	16,438	8,674
Restricted cash	2,472	2,306
Marketable securities	5,020	-
Tenant receivables	22,332	21,554
Prepaid expenses and other assets	20,677	18,881
Deferred charges, net of accumulated amortization	11,410	11,867
Total Assets	\$ 1,021,563	\$ 996,713
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit line	\$ 22,735	\$ 4,000
Mortgage notes payable and other loans	304,867	297,071
Accounts payable and accrued expenses	4,470	4,200
Deferred compensation – officers	70	96
Other liabilities	22,028	22,755
Total Liabilities	354,170	328,122
Redeemable Noncontrolling Interests	78,259	81,361
Commitments and Contingencies		
Stockholders' Equity:		
6.75% Series G Cumulative Preferred Stock (liquidation preference of \$25 per share); 3,000,000 shares issued and outstanding	75,000	75,000
6.25% Series H Cumulative Preferred Stock (liquidation preference of \$25 per share); 4,600,000 shares issued and outstanding	115,000	115,000
Excess Stock, par value \$0.01 per share; 20,000,000 shares authorized; none issued and outstanding	-	-
Common Stock, par value \$0.01 per share; 30,000,000 shares authorized; 9,819,765 and 9,664,778 shares issued and outstanding	99	97
Class A Common Stock, par value \$0.01 per share; 100,000,000 shares authorized; 29,813,363 and 29,728,744 shares issued and outstanding	298	297
Additional paid in capital	515,738	514,217

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Cumulative distributions in excess of net income	(123,315)	(120,123)
Accumulated other comprehensive income	6,314	2,742
Total Stockholders' Equity	589,134	587,230
Total Liabilities and Stockholders' Equity	\$ 1,021,563	\$ 996,713

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

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Six Months Ended		Three Months	
	April 30,		April 30,	
	2018	2017	2018	2017
Revenues				
Base rents	\$47,494	\$42,789	\$23,910	\$21,677
Recoveries from tenants	16,316	14,226	8,109	7,153
Lease termination income	3,754	283	3,754	259
Mortgage interest and other income	2,436	1,661	1,232	903
Total Revenues	70,000	58,959	37,005	29,992
Expenses				
Property operating	12,046	10,646	5,740	5,498
Property taxes	10,304	9,585	5,157	4,737
Depreciation and amortization	13,917	12,764	6,968	6,183
General and administrative	4,702	4,667	2,283	2,212
Provision for tenant credit losses	372	360	162	282
Directors' fees and expenses	188	166	86	83
Total Operating Expenses	41,529	38,188	20,396	18,995
Operating Income	28,471	20,771	16,609	10,997
Non-Operating Income (Expense):				
Interest expense	(6,739)	(6,516)	(3,316)	(3,259)
Equity in net income from unconsolidated joint ventures	1,227	1,039	667	525
Interest, dividends and other investment income	142	369	62	196
Income Before Gain on Sale of Properties	23,101	15,663	14,022	8,459
Gain on sale of properties	-	19,460	-	19,460
Net Income	23,101	35,123	14,022	27,919
Noncontrolling interests:				
Net income attributable to noncontrolling interests	(2,457)	(469)	(1,362)	(247)
Net income attributable to Urstadt Biddle Properties Inc.	20,644	34,654	12,660	27,672
Preferred stock dividends	(6,125)	(7,141)	(3,062)	(3,571)
Net Income Applicable to Common and Class A Common Stockholders	\$14,519	\$27,513	\$9,598	\$24,101
Basic Earnings Per Share:				
Per Common Share:	\$0.35	\$0.66	\$0.23	\$0.58
Per Class A Common Share:	\$0.39	\$0.75	\$0.26	\$0.66
Diluted Earnings Per Share:				
Per Common Share:	\$0.34	\$0.65	\$0.23	\$0.57
Per Class A Common Share:	\$0.39	\$0.74	\$0.25	\$0.64

Dividends Per Share:

Common	\$0.48	\$0.47	\$0.24	\$0.235
Class A Common	\$0.54	\$0.53	\$0.27	\$0.265

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

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(In thousands)

	Six Months Ended		Three Months	
	April 30,		April 30,	
	2018	2017	2018	2017
Net Income	\$23,101	\$35,123	\$14,022	\$27,919
Other comprehensive income (loss):				
Change in unrealized gains on marketable securities	22	-	22	-
Change in unrealized gains (losses) on interest rate swaps	3,550	3,632	1,140	(579)
Total comprehensive income	26,673	38,755	15,184	27,340
Comprehensive income attributable to noncontrolling interests	(2,457)	(469)	(1,362)	(247)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	24,216	38,286	13,822	27,093
Preferred stock dividends	(6,125)	(7,141)	(3,062)	(3,571)
Total comprehensive income applicable to Common and Class A Common Stockholders	\$18,091	\$31,145	\$10,760	\$23,522

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

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended April 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net income	\$23,101	\$35,123
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,917	12,764
Straight-line rent adjustment	(280)	(361)
Provision for tenant credit losses	372	360
(Gain) on sale of properties	-	(19,460)
Restricted stock compensation expense and other adjustments	1,784	1,863
Deferred compensation arrangement	(25)	(43)
Equity in net (income) of unconsolidated joint ventures	(1,227)	(1,039)
Distributions of operating income from unconsolidated joint ventures	1,227	1,039
Changes in operating assets and liabilities:		
Tenant receivables	(872)	(3,658)
Accounts payable and accrued expenses	846	1,296
Other assets and other liabilities, net	(1,912)	1,009
Restricted Cash	(166)	3
Net Cash Flow Provided by Operating Activities	36,765	28,896
Cash Flows from Investing Activities:		
Acquisitions of real estate investments	(4,795)	(21,157)
Investments in and advances to unconsolidated joint ventures	-	(158)
Net proceeds from the sale of investment property	-	44,108
Deposits on acquisition of real estate investment	(1,274)	(1,000)
Return of deposits on acquisition of real estate investments	-	500
Improvements to properties and deferred charges	(4,066)	(4,330)
Distributions to noncontrolling interests	(2,457)	(469)
Purchase of securities available for sale	(4,999)	-
Return of capital from unconsolidated joint ventures	282	288
Net Cash Flow Provided by/(Used in) Investing Activities	(17,309)	17,782
Cash Flows from Financing Activities:		
Dividends paid -- Common and Class A Common Stock	(20,813)	(20,297)
Dividends paid -- Preferred Stock	(6,125)	(7,141)
Principal repayments on mortgage notes payable	(3,227)	(3,130)
Repayment of revolving credit line borrowings	(4,000)	(23,000)
Proceeds from revolving credit line borrowings	22,735	15,000
Shares withheld for employee taxes	(241)	-
Repurchase of shares of Class A Common Stock	(120)	-
Net proceeds from the issuance of Common and Class A Common Stock	99	103
Net Cash Flow Provided by/(Used in) Financing Activities	(11,692)	(38,465)
Net Increase In Cash and Cash Equivalents	7,764	8,213

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Cash and Cash Equivalents at Beginning of Period	8,674	7,271
Cash and Cash Equivalents at End of Period	\$ 16,438	\$ 15,484
Supplemental Cash Flow Disclosures:		
Interest Paid	\$ 6,495	\$ 6,470

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

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URSTADT BIDDLE PROPERTIES INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

(In thousands, except share and per share data)

	6.75% Series G Preferred Stock Issued	6.75% Series G Preferred Stock Amount	6.25% Series H Preferred Stock Issued	6.25% Series H Preferred Stock Amount	Common Stock Issued	Common Stock Amount	Class A Common Stock Issued	Class A Common Stock Amount	Additional Paid In Capital	Cumulative Distribution In Excess of Net Income
Balances - October 31, 2017	3,000,000	\$75,000	4,600,000	\$115,000	9,664,778	\$97	29,728,744	\$297	\$514,217	\$(120,123)
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	-	-	14,519
Change in unrealized gains on marketable securities	-	-	-	-	-	-	-	-	-	-
Change in unrealized income on interest rate swap	-	-	-	-	-	-	-	-	-	-
Cash dividends paid :										
Common stock (\$0.24 per share)	-	-	-	-	-	-	-	-	-	(4,713)
Class A common stock (\$0.27 per share)	-	-	-	-	-	-	-	-	-	(16,100)
Issuance of shares under dividend reinvestment plan	-	-	-	-	2,287	-	2,965	-	99	-
Shares issued under restricted stock plan	-	-	-	-	152,700	2	102,800	1	(3)	-
	-	-	-	-	-	-	(10,886)	-	(240)	-

Shares withheld for employee taxes										
Forfeiture of restricted stock	-	-	-	-	-	-	(3,600)	-	-	-
Restricted stock compensation and other adjustments	-	-	-	-	-	-	-	-	1,785	-
Repurchase of Class A Common stock	-	-	-	-	-	-	(6,660)	-	(120)	-
Adjustments to redeemable noncontrolling interests	-	-	-	-	-	-	-	-	-	3,102
Balances -										
April 30, 2018	3,000,000	\$75,000	4,600,000	\$115,000	9,819,765	\$99	29,813,363	\$298	\$515,738	\$(123,315)

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. ("Company"), a Maryland Corporation, is a real estate investment trust (REIT), engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the metropolitan New York tri-state area outside of the City of New York. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At April 30, 2018, the Company owned or had equity interests in 83 properties containing a total of 5.1 million square feet of Gross Leasable Area ("GLA").

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, "Consolidation". The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323 "Real Estate-General-Equity Method and Joint Ventures," joint ventures that the Company does not control but otherwise exercises significant influence over, are accounted for under the equity method of accounting. See Note 5 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three and six months ended April 30, 2018 are not necessarily indicative of the results that may be expected for the year ending October 31, 2018. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended October 31, 2017.

The preparation of financial statements requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value estimates, and the collectability of tenant receivables and other assets and liabilities. Actual results could differ from these estimates. The balance sheet at October 31, 2017 has been derived from audited financial statements at that date.

Federal Income Taxes

The Company has elected to be treated as a REIT under Sections 856-860 of the Internal Revenue Code (Code). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2018 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, "Income Taxes" that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of April 30, 2018. As of April 30, 2018, the fiscal tax years 2014 through and including 2017 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and tenant receivables. The Company places its cash and cash equivalents with high quality financial institutions and the balances at times could exceed federally insured limits. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. The Company has no dependency upon any single tenant.

Marketable Securities

Marketable equity securities are carried at fair value based upon quoted market prices in active markets. The Company has classified its marketable securities as available for sale. Unrealized holding gains and losses are excluded from earnings and reported as a separate component of stockholders' equity until realized. The change in the unrealized net holding gains (losses) is reflected as comprehensive income (Loss).

In February and March 2018, the Company purchased approximately \$5.0 million of REIT securities with available cash.

The Company individually reviews and evaluates its marketable securities for impairment on a quarterly basis or when events or circumstances occur. The Company considers, among other things, credit aspects of the issuer, amount of decline in fair value over cost and length of time in a continuous loss position. The Company normally holds REIT securities on a long-term basis and has the ability and intent to hold securities to recovery. If a decline in fair value is determined to be other than temporary, an impairment charge is recognized in earnings and the cost basis of the individual security is written down to fair value as the new cost basis. As of April 30, 2018, the Company's investment in REIT securities consists of an investment in one issuer and the aggregate fair value of the Company's investment is above the Company's cost.

The unrealized gain at April 30, 2018 and October 31, 2017 is detailed below (in thousands):

	Fair Market Value	Cost Basis	Unrealized Gain/(Loss)	Gross Unrealized Gains	Gross Unrealized (Loss)
April 30, 2018					
REIT Securities	\$ 5,020	\$ 4,998	\$ 22	\$ 22	\$ -
October 31, 2017					
REIT Securities	\$ -	\$ -	\$ -	\$ -	\$ -

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Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment, and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of April 30, 2018, the Company believes it has no significant risk associated with non-performance of the financial institutions that are the counterparties to its derivative contracts. At April 30, 2018, the Company had approximately \$88.7 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to an average fixed annual rate of 3.62% per annum. As of April 30, 2018 and October 31, 2017, the Company had a deferred liability of \$— and \$574,000, respectively (included in accounts payable and accrued expense on the consolidated balance sheets) and a deferred asset of \$6.3 million and \$3.3 million, respectively (included in prepaid expenses and other assets on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages.

Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to other comprehensive income/(loss) as the swaps are deemed effective and are classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains/(losses) on marketable securities classified as available-for-sale and unrealized gains and losses on interest rate swaps designated as cash flow hedges. At April 30, 2018, accumulated other comprehensive income consisted of net unrealized gains on marketable securities classified as available for sale of \$22,000 and gains on interest rate swap agreements of \$6.3 million. At October 31, 2017, accumulated other comprehensive income consisted of net unrealized gains on interest rate swap agreements of approximately \$2.7 million. Unrealized gains and losses included in other comprehensive income/(loss) will be reclassified into earnings as gains and losses are realized.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at April 30, 2018.

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Acquisitions of Real Estate Investments, Capitalization Policy and Depreciation

Acquisition of Real Estate Investments:

The Company evaluates each acquisition of real estate or in-substance real estate (including equity interests in entities that predominantly hold real estate assets) to determine if the integrated set of assets and activities acquired meet the definition of a business and need to be accounted as a business combination. If either of the following criteria is met, the integrated set of assets and activities acquired would not qualify as a business:

- Substantially all of the fair value of the gross assets acquired is concentrated in either a single identifiable asset or a group of similar identifiable assets; or
- The integrated set of assets and activities is lacking, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs (i.e. revenue generated before and after the transaction).

An acquired process is considered substantive if:

- The process includes an organized workforce (or includes an acquired contract that provides access to an organized workforce), that is skilled, knowledgeable, and experienced in performing the process;
- The process cannot be replaced without significant cost, effort, or delay; or
- The process is considered unique or scarce.

Generally, the Company expects that acquisitions of real estate or in-substance real estate will not meet the revised definition of a business because substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets (i.e. land, buildings, and related intangible assets) or because the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay.

Acquisitions of real estate and in-substance real estate which do not meet the definition of a business are accounted for as asset acquisitions. The accounting model for asset acquisitions is similar to the accounting model for business combinations except that the acquisition consideration (including acquisition costs) is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. As a result, asset acquisitions do not result in the recognition of goodwill or a bargain purchase gain. The relative fair values used to allocate the cost of an asset acquisition are determined using the same methodologies and assumptions as the Company utilizes to determine fair value in a business combination.

The value of tangible assets acquired is based upon our estimation of value on an "as if vacant" basis. The value of acquired in-place leases includes the estimated costs during the hypothetical lease-up period and other costs that would have been incurred in the execution of similar leases under the market conditions at the acquisition date of the acquired in-place lease. We assess the fair value of tangible and intangible assets based on numerous factors, including estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known trends, and market/economic conditions that may affect the property.

The values of acquired above and below-market leases, which are included in prepaid expenses and other assets and other liabilities, respectively, are amortized over the terms of the related leases and recognized as either an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue. The values of acquired in-place leases are classified in other assets in the accompanying consolidated balance sheets and amortized over the remaining

terms of the related leases.

Capitalization Policy:

Land, buildings, property improvements, furniture/fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Depreciation:

The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on the Company's net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	30-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Property Held for Sale

The Company reports properties that are either disposed of or are classified as held for sale in continuing operations in the consolidated statement of income if the removal, or anticipated removal, of the asset(s) from the reporting entity does not represent a strategic shift that has or will have a major effect on an entity's operations and financial results when disposed of. The Company did not classify any properties as held for sale as of April 30, 2018.

In March 2017, the Company sold for \$56.6 million, its property located in White Plains, NY to Lennar Multifamily Communities, as that property no longer met the Company's investment objectives. In conjunction with the sale the Company realized a gain on sale of property in the amount of \$19.5 million, which is included in continuing operations in the consolidated statement of income for the three and six months ended April 30, 2017.

The operating results of the White Plains property, which is included in continuing operations were as follows (amounts in thousands):

	Six Months Ended April 30, 2018	Three Months Ended April 30, 2017
Revenues	\$- \$-	\$- \$-
Property operating expense	- (322)	- (65)
Depreciation and amortization	- -	- -
Net Income	\$- \$(322)	\$- \$(65)

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Revenue Recognition

Revenues from operating leases include revenues from properties. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At April 30, 2018 and October 31, 2017, \$17,651,000 and \$17,349,000, respectively, has been recognized as straight-line rents receivable (representing the current cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under U.S. GAAP have been met.

In April 2018, the Company entered into a lease termination agreement with a tenant at its Ferry Plaza property located in Newark, NJ. The agreement provided that the tenant pay the Company \$3.7 million in exchange for the tenant to be released from all future obligations under its lease. The Company received payment in April 2018 and has recorded the payment received as lease termination income in its consolidated statements of income for the three and six months ended April 30, 2018, as the payment met all of the revenue recognition conditions under U.S. GAAP.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables that is estimated to be uncollectible. Such allowances are reviewed periodically. At April 30, 2018 and October 31, 2017, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$4,623,000 and \$4,543,000, respectively. Included in the aforementioned allowance for doubtful accounts is an amount for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable which is estimated to be uncollectible.

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Six Months Ended		Three Months	
	April 30,		April 30,	
	2018	2017	2018	2017
Numerator				
Net income applicable to common stockholders – basic	\$2,987	\$5,565	\$1,975	\$4,876
Effect of dilutive securities:				
Restricted stock awards	137	280	97	263
Net income applicable to common stockholders – diluted	\$3,124	\$5,845	\$2,072	\$5,139
Denominator				
Denominator for basic EPS – weighted average common shares	8,558	8,382	8,559	8,383
Effect of dilutive securities:				
Restricted stock awards	546	584	591	636
Denominator for diluted EPS – weighted average common equivalent shares	9,104	8,966	9,150	9,019
Numerator				
Net income applicable to Class A common stockholders-basic	\$11,532	\$21,948	\$7,623	\$19,225
Effect of dilutive securities:				
Restricted stock awards	(137)	(280)	(97)	(263)
Net income applicable to Class A common stockholders – diluted	\$11,395	\$21,668	\$7,526	\$18,962
Denominator				
Denominator for basic EPS – weighted average Class A common shares	29,365	29,312	29,358	29,313
Effect of dilutive securities:				
Restricted stock awards	147	161	173	194
Denominator for diluted EPS – weighted average Class A common equivalent shares	29,512	29,473	29,531	29,507

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Segment Reporting

The Company's primary business is the ownership, management, and redevelopment of retail properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, which consists of base rental income and tenant reimbursement income, less rental expenses and real estate taxes. Only one of the Company's properties, located in Stamford, CT ("Ridgeway"), is considered significant as its revenue is in excess of 10% of the Company's consolidated total revenues (for the fiscal 2017 reportable periods) and accordingly is a reportable segment. The Company has aggregated the remainder of its properties as they share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in the same major metropolitan area, and have similar tenant mixes.

Ridgeway is located in Stamford, Connecticut and was developed in the 1950's and redeveloped in the mid 1990's. The property contains approximately 374,000 square feet of GLA. It is the dominant grocery-anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut.

Segment information about Ridgeway as required by ASC Topic 280 is included below:

	Six Months Ended April 30, 2018		2017		Three Months Ended April 30, 2018		2017	
Ridgeway Revenues	9.7	%	11.9	%	9.1	%	11.8	%
All Other Property Revenues	90.3	%	88.1	%	90.9	%	88.2	%
Consolidated Revenue	100.0	%	100.0	%	100.0	%	100.0	%

	April 30, 2018		October 31, 2017	
Ridgeway Assets	7.1	%	7.2	%
All Other Property Assets	92.9	%	92.8	%
Consolidated Assets (Note 1)	100.0	%	100.0	%

Note 1. Ridgeway did not have any significant expenditures for additions to long lived assets in the three and six months ended April 30, 2018 or the year ended October 31, 2017.

	April 30, 2018		October 31, 2017	
Ridgeway Percent Leased	96	%	96	%

Ridgeway Significant Tenants (Percentage of Base Rent Billed):

	Six Months Ended April 30, 2018		2017		Three Months Ended April 30, 2018		2017	
The Stop & Shop Supermarket Company	21	%	19	%	21	%	19	%

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Bed, Bath & Beyond	14 %	14 %	14 %	14 %
Marshall's Inc.	10 %	11 %	11 %	11 %
All Other Tenants at Ridgeway (Note 2)	55 %	56 %	54 %	56 %
Total	100%	100 %	100%	100 %

Note 2. No other tenant accounts for more than 10% of Ridgeway's annual base rents in any of the periods presented. Percentages are calculated as a ratio of the tenants' base rent divided by total base rent of Ridgeway.

<u>Income Statements (In Thousands):</u>	Six Months Ended			Three Months Ended		
	April 30, 2018			April 30, 2018		
	All Other	Operating	Total	All Other	Operating	Total
	Ridgeway	Segments	Consolidated	Ridgeway	Segments	Consolidated
Revenues	\$6,820	\$ 63,180	\$ 70,000	\$3,367	\$ 33,638	\$ 37,005
Operating Expenses	\$1,916	\$ 20,434	\$ 22,350	\$940	\$ 9,957	\$ 10,897
Interest Expense	\$1,011	\$ 5,728	\$ 6,739	\$434	\$ 2,882	\$ 3,316
Depreciation and Amortization	\$1,336	\$ 12,581	\$ 13,917	\$655	\$ 6,313	\$ 6,968
Income from Continuing Operations	\$2,557	\$ 20,544	\$ 23,101	\$1,338	\$ 12,684	\$ 14,022

<u>Income Statements (In Thousands):</u>	Six Months Ended			Three Months Ended		
	April 30, 2017			April 30, 2017		
	All Other	Operating	Total	All Other	Operating	Total
	Ridgeway	Segments	Consolidated	Ridgeway	Segments	Consolidated
Revenues	\$7,003	\$ 51,956	\$ 58,959	\$3,537	\$ 26,455	\$ 29,992
Operating Expenses	\$2,090	\$ 18,141	\$ 20,231	\$1,005	\$ 9,230	\$ 10,235
Interest Expense	\$1,220	\$ 5,296	\$ 6,516	\$608	\$ 2,651	\$ 3,259
Depreciation and Amortization	\$1,745	\$ 11,019	\$ 12,764	\$634	\$ 5,549	\$ 6,183
Income from Continuing Operations	\$1,948	\$ 13,715	\$ 15,663	\$1,291	\$ 7,168	\$ 8,459

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Stock-Based Compensation

The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, "Stock Compensation", which requires that compensation expense be recognized, based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company's stock on the grant date. The Company recognizes compensation expense for its stock awards by amortizing the fair value of stock awards over the requisite service periods of such awards.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period's presentation.

New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying ASU 2014-09, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB's ASC. ASU 2014-09 is effective for annual reporting periods (including interim periods within that reporting period) beginning after December 15, 2016 and shall be applied using either a full retrospective or modified retrospective approach. Early application is not permitted. In August 2015, FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 for all public companies for all annual periods beginning after December 15, 2017 with early adoption permitted only as of annual reporting periods beginning after December 31, 2016, including interim periods within the reporting period. In March 2016, the FASB issued ASU 2016-08 as an amendment to ASU 2014-09, the amendment clarifies how to identify the unit of accounting for the principal versus agent evaluation, how to apply the control principle to certain types of arrangements, such as service transaction, and reframed the indicators in the guidance to focus on evidence that an entity is acting as a principal rather than as an agent. The Company is currently assessing the potential impact that the adoption of ASU 2014-09 and ASU 2016-08 will have on its consolidated financial statements. While we are still completing the assessment of the impact of ASU 2014-09 and ASU 2016-08 on our consolidated financial statements, we believe the majority of our revenue falls outside of the scope of this guidance.

In February 2016, the FASB issued ASU 2016-02, "Leases." ASU 2016-02 significantly changes the accounting for leases by requiring lessees to recognize assets and liabilities for leases greater than 12 months on their balance sheet. The lessor model stays substantially the same; however, there were modifications to conform lessor accounting with the lessee model, eliminate real estate specific guidance, further define certain lease and non-lease components, and change the definition of initial direct costs of leases requiring significantly more leasing related costs to be expensed upfront. ASU 2016-02 is effective for the Company in the first quarter of fiscal 2020, and we are currently assessing the impact this standard will have on the Company's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities". ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. These changes become

effective for the Company's fiscal year beginning November 1, 2018. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements and has not determined the effects of this update on the Company's financial position, results of operations or cash flows and disclosures at this time. The Company anticipates that the most significant change for the Company, once ASU 2016-01 is adopted, will be the accounting for the Company's investments in marketable securities classified as available for sale, which are currently carried at fair value with unrealized gains and losses being excluded from earnings and reported as a separate component of stockholders' equity until realized and the change in net unrealized gains and losses being reflected as comprehensive income (loss). Under ASU 2016-01, these marketable securities will continue to be measured at fair value. However, the changes in net unrealized holding gains and losses will be recognized through net income.

The Company has evaluated all other new ASU's issued by FASB, and has concluded that these updates do not have a material effect on the Company's consolidated financial statements as of April 30, 2018.

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(2) REAL ESTATE INVESTMENTS

In October 2017, the Company purchased a promissory note secured by a mortgage on 470 Main Street in Ridgefield, CT ("470 Main"), which comprises part of the Yankee Ridge retail and office mixed-use property. The note was purchased from the existing lender. In January 2018, the Company completed foreclosure of the note and became the owner of 470 Main. Total consideration paid for the note, including costs, totaled \$3.1 million. 470 Main is a 24,200 square foot building with ground and first floor retail and second floor office space. The Company funded the note purchase with available cash.

In March 2018, the Company, through a wholly-owned subsidiary, purchased for \$13.1 million, a 27,000 square foot shopping center located in Yonkers, NY ("Tanglewood"). The Company funded the purchase with available cash, borrowings on its unsecured revolving credit facility and the issuance of \$11.0 million in unsecured promissory notes to the seller (see note 3).

The Company accounted for the purchase of 470 Main and Tanglewood as asset acquisitions and allocated the total consideration transferred for the acquisitions, including transaction costs, to the individual assets and liabilities acquired on a relative fair value basis.

The financial information set forth below summarizes the Company's purchase price allocation for the properties acquired during the six months ended April 30, 2018 (in thousands).

	470	
	Main	Tanglewood
Assets:		
Land	\$293	\$ 7,525
Building and improvements	\$2,786	\$ 5,920
In-place leases	\$68	\$ 147
Above market leases	\$25	\$ 81
Liabilities:		
In-place leases	\$-	\$ -
Below Market Leases	\$43	\$ 396

The value of above and below market leases are amortized as a reduction/increase to base rental revenue over the term of the respective leases. The value of in-place leases described above are amortized as an expense over the terms of the respective leases.

For the six month periods ended April 30, 2018 and 2017, the net amortization of above-market and below-market leases was approximately \$265,000 and \$95,000, respectively, which is included in base rents in the accompanying consolidated statements of income.

(3) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

The Company has a \$100 million unsecured revolving credit facility (the "Facility") with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agents). The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to \$150 million (subject to lender approval). The maturity date of the Facility is August 23, 2020 with a one-year extension at the Company's option. Borrowings under the Facility can be used for general corporate purposes and the issuance of letters of credit (up to \$10 million). Borrowings will bear

interest at the Company's option of Eurodollar rate plus 1.35% to 1.95% or The Bank of New York Mellon's prime lending rate plus 0.35% to 0.95%, based on consolidated indebtedness. The Company pays a quarterly fee on the unused commitment amount of 0.15% to 0.25% per annum based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at April 30, 2018.

During the six months ended April 30, 2018, the Company borrowed \$23 million on the Facility to fund capital improvements to our properties, property acquisitions and general corporate purposes. During the six months ended April 30, 2018, the Company repaid \$4 million on the Facility with available cash.

In March 2018, the Company through a wholly-owned subsidiary, purchased a shopping center in Yonkers, NY for \$13.1 million (see note 2). A portion of the purchase price was funded by issuing \$11 million of unsecured promissory notes payable to the seller of the property, which is included on Mortgage notes payable and other loans on the Company's consolidated balance sheet at April 30, 2018. The notes contained three tranches, each tranche requires payments of interest only. The terms of the notes are detailed below:

	Principal Amount (in thousands)	Interest Rate	Interest Payment Terms	Maturity Date
Long Term A	\$ 1,650	4.91	%(a) Quarterly	March 29, 2030
Long Term B	1,513	5.05	%(b) Quarterly	March 29, 2030
Short Term Notes	7,837	1.96	%(b) Balloon	May 3, 2018
	\$ 11,000			

(a) Interest rate is variable and based on the level of the Company's dividend declared on the Company's Class A Common stock, divided by \$22 per Class A Share.

(b) Interest rate is fixed.

On May 3, 2018, the Company redeemed all of the short term notes in the amount of \$7.8 million plus interest. The repayment was funded with a borrowing on the Company's Facility and available cash.

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(4) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS.

The Company has an investment in five joint ventures, UB Ironbound, LP ("Ironbound"), UB Orangeburg, LLC ("Orangeburg"), McLean Plaza Associates, LLC ("McLean") and UB Dumont I, LLC ("Dumont"), each of which owns a commercial retail property, and UB High Ridge, LLC ("UB High Ridge"), which owns three commercial real estate properties. The Company has evaluated its investment in these five joint ventures and has concluded that these joint ventures are fully controlled by the Company and that the presumption of control is not offset by any rights of any of the limited partners or non-controlling members in these ventures and that the joint ventures should be consolidated into the consolidated financial statements of the Company in accordance with ASC Topic 810 "Consolidation". The Company's investment in these consolidated joint ventures is more fully described below:

Ironbound (Ferry Plaza)

The Company, through a wholly-owned subsidiary, is the general partner and owns 84% of one consolidated limited partnership, Ironbound, which owns a grocery anchored shopping center.

The Ironbound limited partnership has a defined termination date of December 31, 2097. The partners in Ironbound are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future cash, if any. The balance of available cash, if any, is distributed in accordance with the respective partner's interests. Upon liquidation of Ironbound, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partnership interests. The limited partners are not obligated to make any additional capital contributions to the partnership.

Orangeburg

The Company, through a wholly-owned subsidiary, is the managing member and owns a 43.5% interest in Orangeburg, which owns a drug store anchored shopping center. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company's Class A Common stock, which amount is attributable to each unit of Orangeburg ownership. The annual cash distribution is paid from available cash, as defined, of Orangeburg. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. The non-managing member is not obligated to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of \$6.5 million in Orangeburg, and as a result, as of April 30, 2018 the Company's ownership percentage has increased to 43.5% from approximately 2.92% at inception.

McLean Plaza

The Company, through a wholly-owned subsidiary, is the managing member and owns a 53% interest in McLean, which owns a grocery anchored shopping center. The McLean operating agreement provides for the non-managing members to receive a fixed annual cash distribution equal to 5.05% of their invested capital. The annual cash distribution is paid from available cash, as defined, of McLean. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of McLean assets are to be distributed in accordance with the operating agreement. The non-managing members are not obligated to make any additional capital contributions to the entity.

UB High Ridge

The Company is the managing member and owns an 8.8% interest in UB High Ridge, LLC. The Company's initial investment was \$5.5 million. UB High Ridge owns three commercial real estate properties, High Ridge Shopping Center, a grocery anchored shopping center, ("High Ridge") and two single tenant commercial retail properties, one leased to JP Morgan Chase ("Chase Property") and one leased to CVS ("CVS Property"). Two properties are located in Stamford, CT and one property is located in Greenwich, CT. High Ridge is a shopping center anchored by a Trader Joe's grocery store. The properties were contributed to the new entities by the former owners who received units of ownership of UB High Ridge equal to the value of properties contributed less liabilities assumed. The UB High Ridge operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.46% of their invested capital.

UB Dumont I, LLC

The Company is the managing member and owns a 31.4% interest in UB Dumont I, LLC. The Company's initial investment was \$3.9 million. Dumont owns a retail and residential real estate property, which retail portion is anchored by a Stop and Shop grocery store. The property is located in Dumont, NJ. The property was contributed to the new entity by the former owners who received units of ownership of Dumont equal to the value of contributed property less liabilities assumed. The Dumont operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.05% of their invested capital.

Noncontrolling Interests

The Company accounts for noncontrolling interests in accordance with ASC Topic 810, "Consolidation." Because the limited partners or noncontrolling members in Ironbound, Orangeburg, McLean, UB High Ridge and Dumont have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units for cash, or at the option of the Company shares of its Class A Common stock, at prices as defined in the governing agreements, the Company reports the noncontrolling interests in the consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg, McLean, and a portion of the UB High Ridge and Dumont redemptions are based solely on the price of the Company's Class A Common stock on the date of redemption. For the six months ended April 30, 2018 and 2017, the Company increased/(decreased) the carrying value of the noncontrolling interests by \$(3.1) million and \$(2.3) million, respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests for the six months ended April 30, 2018 and the fiscal year ended October 31, 2017 (amounts in thousands):

	April 30, 2018	October 31, 2017
Beginning Balance	\$81,361	\$18,253
Change in Redemption Value	(3,102)	(666)
Initial UB High Ridge Noncontrolling Interest	-	55,217
Initial Dumont Noncontrolling Interest	-	8,557
Ending Balance	\$78,259	\$81,361

(5) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

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At April 30, 2018 and October 31, 2017 investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	April 30, 2018	October 31, 2017
Chestnut Ridge and Plaza 59 Shopping Centers (50%)	\$18,079	\$18,032
Gateway Plaza (50%)	6,752	6,873
Putnam Plaza Shopping Center (66.67%)		