

FIRST INDUSTRIAL REALTY TRUST INC  
Form 10-Q  
May 07, 2013  
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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 March 31, 2013

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 1-13102

First Industrial Realty Trust, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Maryland  
(State or Other Jurisdiction of  
Incorporation or Organization)  
311 S. Wacker Drive, Suite 3900,  
Chicago, Illinois 60606  
(Address of Principal Executive Offices)  
(312) 344-4300  
(Registrant's telephone number, including area code)

36-3935116  
(I.R.S. Employer  
Identification No.)

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, 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. (Check one):

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

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Number of shares of Common Stock, \$.01 par value, outstanding as of May 6, 2013: 107,485,907.

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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

FIRST INDUSTRIAL REALTY TRUST, INC.  
CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (Unaudited)	December 31, 2012 (Unaudited)
	(In thousands except share and per share data)	
<b>ASSETS</b>		
Assets:		
Investment in Real Estate:		
Land	\$691,924	\$691,726
Buildings and Improvements	2,385,553	2,403,654
Construction in Progress	38,882	26,068
Less: Accumulated Depreciation	(737,914)	(732,635)
Net Investment in Real Estate	2,378,445	2,388,813
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$7,737 and \$3,050	19,000	6,765
Cash and Cash Equivalents	23,319	4,938
Tenant Accounts Receivable, Net	4,564	4,596
Investments in Joint Ventures	1,043	1,012
Deferred Rent Receivable, Net	54,672	54,563
Deferred Financing Costs, Net	11,062	12,028
Deferred Leasing Intangibles, Net	30,523	33,190
Prepaid Expenses and Other Assets, Net	106,121	102,937
Total Assets	\$2,628,749	\$2,608,842
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$745,832	\$763,616
Senior Unsecured Notes, Net	470,533	474,150
Unsecured Credit Facility	18,000	98,000
Accounts Payable, Accrued Expenses and Other Liabilities	70,608	80,647
Deferred Leasing Intangibles, Net	14,539	15,522
Rents Received in Advance and Security Deposits	30,125	30,802
Leasing Intangibles Held for Sale, Net of Accumulated Amortization of \$507 and \$0	598	—
Dividend Payable	13,825	452
Total Liabilities	1,364,060	1,463,189
Commitments and Contingencies		
Equity:		
First Industrial Realty Trust, Inc.'s Stockholders' Equity:		
Preferred Stock	—	—
Common Stock (\$0.01 par value, 150,000,000 shares authorized, 111,810,021 and 103,092,027 shares issued and 107,485,907 and 98,767,913 shares outstanding)	1,118	1,031
Additional Paid-in-Capital	2,037,367	1,906,490

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Distributions in Excess of Accumulated Earnings	(671,913	) (657,567	)
Accumulated Other Comprehensive Loss	(5,843	) (6,557	)
Treasury Shares at Cost (4,324,114 shares)	(140,018	) (140,018	)
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,220,711	1,103,379	
Noncontrolling Interest	43,978	42,274	
Total Equity	1,264,689	1,145,653	
Total Liabilities and Equity	\$2,628,749	\$2,608,842	

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

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CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2013 (Unaudited)	Three Months Ended March 31, 2012	
	(In thousands except per share data)		
Revenues:			
Rental Income	\$63,829	\$61,916	
Tenant Recoveries and Other Income	19,439	18,279	
Total Revenues	83,268	80,195	
Expenses:			
Property Expenses	27,930	26,190	
General and Administrative	6,463	5,617	
Impairment of Real Estate	—	(164	)
Depreciation and Other Amortization	27,307	32,009	
Total Expenses	61,700	63,652	
Other Income (Expense):			
Interest Income	563	927	
Interest Expense	(18,963	)	(22,693
Amortization of Deferred Financing Costs	(854	)	(875
Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements	(4	)	124
(Loss) Gain from Retirement of Debt	(1,150	)	1
Total Other Income (Expense)	(20,408	)	(22,516
Income (Loss) from Continuing Operations Before Equity in Income of Joint Ventures, Gain on Change in Control of Interests and Income Tax Benefit	1,160	(5,973	)
Equity in Income of Joint Ventures	20	91	
Gain on Change in Control of Interests	—	776	
Income Tax Benefit	62	91	
Income (Loss) from Continuing Operations	1,242	(5,015	)
Discontinued Operations:			
Income (Loss) Attributable to Discontinued Operations	447	(129	)
(Loss) Gain on Sale of Real Estate	(3,074	)	6,199
(Loss) Income from Discontinued Operations	(2,627	)	6,070
(Loss) Income Before Gain on Sale of Real Estate	(1,385	)	1,055
Gain on Sale of Real Estate	262	—	
Net (Loss) Income	(1,123	)	1,055
Less: Net Loss Attributable to the Noncontrolling Interest	220	207	
Net (Loss) Income Attributable to First Industrial Realty Trust, Inc.	(903	)	1,262
Less: Preferred Dividends	(3,837	)	(4,762
Net Loss Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$(4,740	)	\$(3,500
Basic and Diluted Earnings Per Share:			
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$(0.02	)	\$(0.11
(Loss) Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	\$(0.03	)	\$0.07

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Net Loss Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ (0.05	)	\$ (0.04	)
Distributions Per Share	\$ 0.085		\$ 0.000	
Weighted Average Shares Outstanding	100,774		86,575	

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

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## FIRST INDUSTRIAL REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31, 2013 (Unaudited) (In thousands)	Three Months Ended March 31, 2012
Net (Loss) Income	\$(1,123	) \$1,055
Amortization of Interest Rate Protection Agreements	585	540
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	183	20
Foreign Currency Translation Adjustment	2	28
Comprehensive (Loss) Income	(353	) 1,643
Comprehensive Loss Attributable to Noncontrolling Interest	186	174
Comprehensive (Loss) Income Attributable to First Industrial Realty Trust, Inc.	\$(167	) \$1,817

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

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CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid- in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Shares At Cost	Noncontrolling Interest	Total
	(Unaudited)							
	(In thousands)							
Balance as of December 31, 2012	\$—	\$1,031	\$1,906,490	\$(657,567)	\$(6,557)	\$(140,018)	\$42,274	\$1,145,653
Issuance of Common Stock, Net of Issuance Costs	—	84	131,966	—	—	—	—	132,050
Stock Based Compensation Activity	—	3	1,179	(470)	—	—	—	712
Reallocation—Additional Paid in Capital	—	—	(2,268)	—	—	—	2,268	—
Distributions	—	—	—	(9,136)	—	—	(400)	(9,536)
Preferred Dividends	—	—	—	(3,837)	—	—	—	(3,837)
Net Loss	—	—	—	(903)	—	—	(220)	(1,123)
Reallocation—Other Comprehensive Income	—	—	—	—	(22)	—	22	—
Other Comprehensive Income	—	—	—	—	736	—	34	770
Balance as of March 31, 2013	\$—	\$1,118	\$2,037,367	\$(671,913)	\$(5,843)	\$(140,018)	\$43,978	\$1,264,689

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

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FIRST INDUSTRIAL REALTY TRUST, INC.  
 CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2013 (Unaudited) (In thousands)	Three Months Ended March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (Loss) Income	\$(1,123	) \$1,055
Adjustments to Reconcile Net (Loss) Income to Net Cash Provided by Operating Activities:		
Depreciation	22,548	27,318
Amortization of Deferred Financing Costs	854	875
Other Amortization	8,001	7,787
Impairment of Real Estate, Net		