

FIRST INDUSTRIAL REALTY TRUST INC

Form 10-Q

November 09, 2009

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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 September 30, 2009**
- 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)*

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

**311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606**  
*(Address of Principal Executive Offices)*

**(312) 344-4300**  
*(Registrant's Telephone Number, Including Area Code)*

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

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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

Number of shares of Common Stock, \$.01 par value, outstanding as of November 9, 2009: 61,601,978.

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

**Form 10-Q**

**For the Period Ended September 30, 2009**

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED BALANCE SHEETS**

	(As Adjusted)	
	September 30, 2009	December 31, 2008
	(Unaudited)	
	(In thousands except share and per share data)	
<b>ASSETS</b>		
Assets:		
Investment in Real Estate:		
Land	\$ 761,411	\$ 776,991
Buildings and Improvements	2,533,433	2,551,450
Construction in Progress	28,355	57,156
Less: Accumulated Depreciation	(576,630)	(523,108)
Net Investment in Real Estate	2,746,569	2,862,489
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of \$7,357 and \$2,251 at September 30, 2009 and December 31, 2008, respectively	49,718	21,117
Cash and Cash Equivalents	19,072	3,182
Restricted Cash	102	109
Tenant Accounts Receivable, Net	3,137	10,414
Investments in Joint Ventures	10,556	16,299
Deferred Rent Receivable, Net	37,607	32,984
Deferred Financing Costs, Net	14,320	12,091
Deferred Leasing Intangibles, Net	71,814	90,342
Prepaid Expenses and Other Assets, Net	170,722	174,474
Total Assets	\$ 3,123,617	\$ 3,223,501
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage Loans Payable, Net	\$ 270,353	\$ 77,396
Senior Unsecured Debt, Net	1,251,025	1,511,955
Unsecured Line of Credit	469,588	443,284

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Accounts Payable, Accrued Expenses and Other Liabilities, Net	89,952	128,828
Deferred Leasing Intangibles, Net	25,999	30,754
Rents Received in Advance and Security Deposits	26,028	26,181
Leasing Intangibles Held for Sale, Net of Accumulated Amortization of \$241 and \$254 at September 30, 2009 and December 31, 2008, respectively	1,000	541
Dividends Payable		13,846
<b>Total Liabilities</b>	<b>2,133,945</b>	<b>2,232,785</b>
Commitments and Contingencies		
Equity:		
First Industrial Realty Trust, Inc. s Stockholders Equity:		
Preferred Stock (\$0.01 par value, 10,000,000 shares authorized, 500, 250, 600, and 200 shares of Series F, G, J, and K Cumulative Preferred Stock, respectively, issued and outstanding at September 30, 2009 and December 31, 2008 having a liquidation preference of \$100,000 per share (\$50,000), \$100,000 per share (\$25,000), \$250,000 per share (\$150,000), and \$250,000 per share (\$50,000), respectively)		
Common Stock (\$0.01 par value, 100,000,000 shares authorized, 52,268,553 and 48,976,296 shares issued and 47,944,439 and 44,652,182 shares outstanding at September 30, 2009 and December 31, 2008, respectively)	523	490
Additional Paid-in-Capital	1,469,434	1,398,024
Distributions in Excess of Accumulated Earnings	(395,290)	(370,229)
Accumulated Other Comprehensive Loss	(19,311)	(19,668)
Treasury Shares at Cost (4,324,114 shares at September 30, 2009 and December 31, 2008)	(140,018)	(140,018)
<b>Total First Industrial Realty Trust, Inc. s Stockholders Equity</b>	<b>915,338</b>	<b>868,599</b>
Noncontrolling Interest	74,334	122,117
<b>Total Equity</b>	<b>989,672</b>	<b>990,716</b>
<b>Total Liabilities and Equity</b>	<b>\$ 3,123,617</b>	<b>\$ 3,223,501</b>

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

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Three Months Ended September 30, 2009</b>	<b>(As Adjusted) Three Months Ended September 30, 2008</b>	<b>Nine Months Ended September 30, 2009</b>	<b>(As Adjusted) Nine Months Ended September 30, 2008</b>
	<b>(Unaudited)</b>			
	<b>(In thousands except per share data)</b>			
Revenues:				
Rental Income	\$ 66,747	\$ 65,369	\$ 201,954	\$ 193,967
Tenant Recoveries and Other Income	22,397	25,730	69,235	78,964
Construction Revenues	15,954	45,202	52,703	101,600
<b>Total Revenues</b>	<b>105,098</b>	<b>136,301</b>	<b>323,892</b>	<b>374,531</b>
Expenses:				
Property Expenses	30,371	30,114	94,088	93,173
General and Administrative	8,391	18,088	30,141	64,342
Restructuring Costs	1,380		6,196	
Impairment of Real Estate	6,934		6,934	
Depreciation and Other Amortization	37,033	38,713	111,732	118,432
Construction Expenses	14,895	41,895	50,567	96,628
<b>Total Expenses</b>	<b>99,004</b>	<b>128,810</b>	<b>299,658</b>	<b>372,575</b>
Other Income/(Expense):				
Interest Income	731	1,054	2,013	2,816
Interest Expense	(29,119)	(27,039)	(86,608)	(84,301)
Amortization of Deferred Financing Costs	(758)	(707)	(2,220)	(2,132)
Gain from Early Retirement of Debt	18,179	1,260	22,165	2,749
Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements	(555)		2,861	
<b>Total Other Income/(Expense)</b>	<b>(11,522)</b>	<b>(25,432)</b>	<b>(61,789)</b>	<b>(80,868)</b>
Loss from Continuing Operations Before Equity in (Loss) Income of Joint Ventures and Income Tax Benefit	(5,428)	(17,941)	(37,555)	(78,912)
Equity in (Loss) Income of Joint Ventures	(5,889)	725	(4,309)	7,295
Income Tax Benefit	6,114	2,074	10,975	7,276

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Loss from Continuing Operations	(5,203)	(15,142)	(30,889)	(64,341)
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$6,734 and \$22,548 for the Three Months Ended September 30, 2009 and September 30, 2008, respectively, and \$15,054 and \$166,393 for the Nine Months Ended September 30, 2009 and September 30, 2008, respectively)	7,430	24,130	16,724	179,389
(Provision) Benefit for Income Taxes Allocable to Discontinued Operations (Including \$(238) and \$26 Allocable to Gain on Sale of Real Estate for the Three Months Ended September 30, 2009 and September 30, 2008, respectively, and \$158 and \$(2,748) for the Nine Months Ended September 30, 2009 and September 30, 2008, respectively)	(96)	(75)	30	(3,379)
Income (Loss) Before Gain on Sale of Real Estate	2,131	8,913	(14,135)	111,669
Gain on Sale of Real Estate	261		721	12,008
Benefit (Provision) for Income Taxes Allocable to Gain on Sale of Real Estate	380		(151)	(2,909)
Net Income (Loss)	2,772	8,913	(13,565)	120,768
Less: Net Loss (Income) Attributable to the Noncontrolling Interest	193	(454)	3,100	(13,293)
Net Income (Loss) Attributable to First Industrial Realty Trust, Inc.	2,965	8,459	(10,465)	107,475
Less: Preferred Stock Dividends	(4,913)	(4,857)	(14,594)	(14,571)
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ (1,948)	\$ 3,602	\$ (25,059)	\$ 92,904
Basic and Diluted Earnings Per Share:				
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ (0.19)	\$ (0.40)	\$ (0.89)	\$ (1.42)
Income From Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.14	\$ 0.49	\$ 0.33	\$ 3.52
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ (0.04)	\$ 0.08	\$ (0.56)	\$ 2.10
Weighted Average Shares Outstanding, Basic and Diluted	45,360	43,151	44,653	43,088
	\$ 0.00	\$ 0.72	\$ 0.00	\$ 2.16



Dividends/Distribution Declared per Common  
Share Outstanding

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

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Three Months Ended September 30, 2009</b>	<b>(As Adjusted) Three Months Ended September 30, 2008</b>	<b>Nine Months Ended September 30, 2009</b>	<b>(As Adjusted) Nine Months Ended September 30, 2008</b>
	<b>(Unaudited) (In thousands)</b>			
Net Income (Loss)	\$ 2,772	\$ 8,913	\$ (13,565)	\$ 120,768
Mark-to-Market on Interest Rate Protection Agreements, Net of Income Tax (Provision) Benefit of \$(149) and \$52 for the Three Months Ended September 30, 2009 and September 30, 2008, respectively, and \$(390) and \$(32) for the Nine Months Ended September 30, 2009 and September 30, 2008, respectively	320	(1,878)	(716)	1,655
Amortization of Interest Rate Protection Agreements	479	(206)	311	(584)
Write-off of Unamortized Settlement of Interest Rate Protection Agreements	3	376	(60)	831
Foreign Currency Translation Adjustment, Net of Tax (Provision) Benefit of \$(1,510) and \$507 for the Three Months Ended September 30, 2009 and September 30, 2008, respectively, and \$(2,436) and \$922 for the Nine Months Ended September 30, 2009 and September 30, 2008, respectively	946	(570)	1,395	(958)
Comprehensive Income (Loss)	4,520	6,635	(12,635)	121,712
Comprehensive (Income) Loss Attributable to Noncontrolling Interest	(154)	(174)	2,527	(13,423)
Comprehensive Income (Loss) Attributable to First Industrial Realty Trust, Inc.	\$ 4,366	\$ 6,461	\$ (10,108)	\$ 108,289

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