

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2013-01-14** | Period of Report: **2013-01-14**  
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FILER

**Industrial Income Trust Inc.**

CIK: [1464720](#) | IRS No.: **000000000** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: [000-54372](#) | Film No.: **13528286**  
SIC: **6500** Real estate

Mailing Address

518 SEVENTEENTH STREET  
17TH FLOOR  
DENVER CO 80202

Business Address

518 SEVENTEENTH STREET  
17TH FLOOR  
DENVER CO 80202  
303-228-2200

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 14, 2013**

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**Industrial Income Trust Inc.**

**(Exact name of registrant as specified in its charter)**

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**000-54372**  
(Commission  
File Number)

**27-0477259**  
(IRS Employer  
Identification No.)

**518 Seventeenth Street, 17<sup>th</sup> Floor  
Denver, CO 80202**

**(Address of principal executive offices)**

**(303) 228-2200**

**(Registrant's telephone number, including area code)**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01. Other Events.**

Filed herewith as Exhibit 99.1 to this Current Report on Form 8-K are unaudited pro forma condensed consolidated statements of operations for Industrial Income Trust Inc.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit  
Number**

**Description**

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<b>99.1</b>	<b>Pro Forma Financial Information - Industrial Income Trust Inc.:</b>  Pro Forma Condensed Consolidated Statement of Operations for the Nine Months Ended September 30, 2012 (unaudited)  Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2011 (unaudited)  Notes to the Pro Forma Condensed Consolidated Statement of Operations for the Nine Months Ended September 30, 2012 and for the Year Ended December 31, 2011 (unaudited)
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**SIGNATURES**

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

**INDUSTRIAL INCOME TRUST INC.**

January 14, 2013

By: \_\_\_\_\_ /s/ THOMAS G. MCGONAGLE  
Name: **Thomas G. McGonagle**  
Title: **Chief Financial Officer and Treasurer**

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## EXHIBIT INDEX

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Number**

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	Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2011 (unaudited)
	Notes to the Pro Forma Condensed Consolidated Statement of Operations for the Nine Months Ended September 30, 2012 and for the Year Ended December 31, 2011 (unaudited)

**INDUSTRIAL INCOME TRUST INC.**  
**PRO FORMA FINANCIAL INFORMATION**  
**(Unaudited)**

The following pro forma financial statements have been prepared to provide pro forma information with regard to real estate acquisitions and financing transactions, as applicable. The unaudited pro forma financial statements should be read in conjunction with Industrial Income Trust Inc.'s (the "Company") Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission (the "SEC") on March 9, 2012, and the Company's Quarterly Report on Form 10-Q for the nine months ended September 30, 2012, filed with the SEC on November 8, 2012.

The accompanying unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2012 and for the year ended December 31, 2011, combine the Company's historical operations with the purchase of each of the real property and financing transactions described below, as if those transactions had occurred on January 1, 2011.

On January 19, 2011, the Company acquired a 100% fee interest in two buildings located in the Pinnacle Industrial Center in Dallas, Texas aggregating approximately 575,000 square feet on 36.2 acres ("Rock Quarry 1 and 2"). The total aggregate purchase price was approximately \$25.7 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded these acquisitions using proceeds from its initial public offering.

On January 19, 2011, the Company acquired a 100% fee interest in one industrial building located in the Madison Business Center in Tampa, Florida aggregating approximately 147,000 square feet on 8.9 acres (the "Eagle Falls Distribution Center"). The total aggregate purchase price was approximately \$10.7 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded these acquisitions using proceeds from its initial public offering.

On January 27, 2011, the Company acquired a 100% fee interest in one industrial building located in Hagerstown, Maryland aggregating approximately 824,000 square feet on 70.3 acres (the "Hagerstown Distribution Center"). The total aggregate purchase price was approximately \$41.2 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing.

On June 17, 2011, the Company acquired a 100% fee interest in two industrial buildings and a 100% leasehold interest in a third industrial building, aggregating approximately 2.0 million square feet on 143.2 acres. The buildings are located in Atlanta, Georgia; York, Pennsylvania; and Houston, Texas (collectively referred to as the "Regional Distribution Portfolio"). The total aggregate purchase price was approximately \$111.8 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing.

On June 24, 2011, under the terms of a definitive agreement to acquire a 100% fee interest in nine industrial buildings aggregating approximately 1.4 million square feet on 108.8 acres located in Chicago, Illinois, (collectively, the "Chicago Industrial Portfolio"), the Company acquired six of the nine industrial buildings of the Chicago Industrial Portfolio aggregating approximately 1.1 million square feet on 84.8 acres. The total aggregate purchase price of this completed portion of the Chicago Industrial Portfolio was approximately \$80.5 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing.

On August 4, 2011, the Company completed the acquisition of one of the remaining industrial buildings in the Chicago Industrial Portfolio, aggregating approximately 82,000 square feet on 4.5 acres. The total aggregate purchase price of this completed portion of the Chicago Industrial Portfolio was approximately \$6.4 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing.

On August 25, 2011, the Company completed the acquisition of one of the remaining industrial buildings in the Chicago Industrial Portfolio, aggregating approximately 145,000 square feet on 9.5 acres. The total aggregate purchase price of this completed portion of

the Chicago Industrial Portfolio was approximately \$9.6 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing assumed by the Company.

On December 13, 2011, the Company completed the acquisition of the remaining industrial building in the Chicago Industrial Portfolio, aggregating approximately 65,000 square feet on 4.9 acres. The total aggregate purchase price of this completed portion of the Chicago Industrial Portfolio was approximately \$5.2 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing assumed by the Company.

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On December 15, 2011, the Company completed the acquisition of eight industrial buildings aggregating approximately 1.6 million square feet on 88.2 acres. The buildings are located in certain submarkets of Fort Lauderdale, Florida; Atlanta, Georgia; and Dallas, Texas (collectively, the “Regional Industrial Portfolio”). The total aggregate purchase price was approximately \$104.5 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering and debt financing.

On March 28, 2012, the Company acquired a 100% fee interest in 11 industrial buildings, aggregating approximately 3.5 million square feet on 201.3 acres, located in the submarkets of Plainfield, Indiana and Lehigh Valley, Pennsylvania (collectively referred to as the “IN/PA Industrial Portfolio”). The total aggregate purchase price was approximately \$137.3 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its initial public offering.

On May 10, 2012, the Company acquired a 100% fee interest in two industrial buildings aggregating approximately 1.6 million square feet on 96.4 acres. The buildings are located in Phoenix, Arizona (collectively, the “Cactus Distribution Centers”). The total aggregate purchase price was approximately \$131.7 million, exclusive of transfer taxes, due diligence expenses, and other closing costs. The Company funded the acquisition using proceeds from its public offerings.

The Company entered into the following financing transactions prior to September 30, 2012, and these transactions are included in the Company’s historical condensed consolidated unaudited balance sheet as of September 30, 2012: \$12.4 million mortgage note payable secured by the Rock Quarry 1 and 2 on January 19, 2011; \$6.2 million mortgage note payable secured by the Eagle Falls Distribution Center on January 19, 2011; \$23.4 million mortgage note payable secured by the Hagerstown Distribution Center on January 27, 2011; \$66.9 million mortgage note payable secured by the Regional Distribution Portfolio on June 17, 2011; \$43.1 million mortgage note payable secured by the six industrial buildings in the Chicago Industrial Portfolio that closed on June 24, 2011; assumption of a \$6.2 million mortgage note payable secured by the industrial building in the Chicago Industrial Portfolio that closed on August 4, 2011; assumption of a \$6.3 million mortgage note payable secured by the industrial building in the Chicago Industrial Portfolio that closed on August 25, 2011; assumption of a \$4.5 million mortgage note payable secured by the industrial building in the Chicago Industrial Portfolio that closed on December 13, 2011; \$61.0 million mortgage note payable secured by the eight industrial buildings in the Regional Industrial Portfolio that closed on December 15, 2011; \$82.4 million mortgage note payable secured by the IN/PA Industrial Portfolio on May 24, 2012; and \$76.6 million mortgage note payable secured by the Cactus Distribution Centers that closed on July 11, 2012.

The unaudited pro forma condensed consolidated statements of operations have been prepared by the Company’s management based upon the Company’s historical financial statements and certain historical financial information of the acquired properties. These pro forma statements may not be indicative of the results that actually would have occurred if these transactions had been in effect on the dates indicated, nor do they purport to represent our future financial results. The accompanying unaudited pro forma condensed consolidated statements of operations do not contemplate certain amounts that are not readily determinable, such as additional general and administrative expenses that are probable, or interest income that would be earned on cash balances.



**INDUSTRIAL INCOME TRUST INC.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012**  
**(Unaudited)**

(in thousands, except per share data)	Company Historical <sup>(1)</sup>	Acquisitions <sup>(2)</sup>	Pro Forma Adjustments	Consolidated Pro Forma
<b>Revenues:</b>				
Rental revenues	\$85,622	\$ 7,267	\$ (77 ) <sup>(3)</sup>	\$92,812
Total revenues	85,622	7,267	(77 )	92,812
<b>Operating expenses:</b>				
Rental expenses	20,537	1,353	–	21,890
Real estate-related depreciation and amortization	40,547	–	3,605 <sup>(3)</sup>	44,152
General and administrative expenses	4,166	–	–	4,166
Asset management fees, related party	7,977	–	534 <sup>(4)</sup>	8,511
Acquisition-related expenses, related party	7,322	–	(2,689 ) <sup>(5)</sup>	4,633
Acquisition-related expenses	6,039	–	(1,152 ) <sup>(5)</sup>	4,887
Total operating expenses	86,588	1,353	298	88,239
<b>Other expenses:</b>				
Equity in loss of unconsolidated joint venture	1,911	–	–	1,911
Interest expense and other	19,769	–	3,026 <sup>(6)</sup>	22,795
Loss on early extinguishment of debt	874	–	–	874
Total other expenses	22,554	–	3,026	25,580
<b>Net (loss) income</b>	<b>(23,520 )</b>	<b>5,914</b>	<b>(3,401 )</b>	<b>(21,007 )</b>
Net (loss) income attributable to noncontrolling interests	–	–	–	–
<b>Net (loss) income attributable to common stockholders</b>	<b><u>\$(23,520 )</u></b>	<b><u>\$ 5,914</u></b>	<b><u>\$(3,401 )</u></b>	<b><u>\$(21,007 )</u></b>
Weighted-average shares outstanding	94,484			127,397 <sup>(7)</sup>
Net loss per common share—basic and diluted	<u>\$(0.25 )</u>			<u>\$(0.16 )</u>

The accompanying notes are an integral part of this pro forma condensed consolidated financial statement.

**INDUSTRIAL INCOME TRUST INC.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(Unaudited)**

(in thousands, except per share data)	Company Historical <sup>(1)</sup>	Acquisitions <sup>(2)</sup>	Pro Forma Adjustments	Consolidated Pro Forma
<b>Revenues:</b>				
Rental revenues	\$ 51,650	\$ 40,959	\$(1,202 ) <sup>(3)</sup>	\$ 91,407
Total revenues	51,650	40,959	(1,202 )	91,407
<b>Operating expenses:</b>				
Rental expenses	11,131	9,308	–	20,439
Real estate-related depreciation and amortization	22,481	–	21,509 <sup>(3)</sup>	43,990
General and administrative expenses	3,840	–	–	3,840
Asset management fees, related party	4,868	–	3,672 <sup>(4)</sup>	8,540
Acquisition-related expenses, related party	10,378	–	(5,530 ) <sup>(5)</sup>	4,848
Acquisition-related expenses	7,597	–	(3,160 ) <sup>(5)</sup>	4,437
Total operating expenses	60,295	9,308	16,491	86,094
<b>Other expenses:</b>				
Equity in loss of unconsolidated joint venture	2,034	–	–	2,034
Interest expense and other	14,674	–	12,280 <sup>(6)</sup>	26,954
Total other expenses	16,708	–	12,280	28,988
<b>Net (loss) income</b>	(25,353 )	31,651	(29,973 )	(23,675 )
Net (loss) income attributable to noncontrolling interests	–	–	–	–
<b>Net (loss) income attributable to common stockholders</b>	<u>\$(25,353 )</u>	<u>\$ 31,651</u>	<u>\$(29,973 )</u>	<u>\$(23,675 )</u>
Weighted-average shares outstanding	<u>37,423</u>			<u>127,397 <sup>(7)</sup></u>
Net loss per common share–basic and diluted	<u>\$(0.68 )</u>			<u>\$(0.19 )</u>

The accompanying notes are an integral part of this pro forma condensed consolidated financial statement.

**INDUSTRIAL INCOME TRUST INC.**

**NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND FOR THE  
YEAR ENDED DECEMBER 31, 2011  
(Unaudited)**

- (1) Reflects the Company's historical condensed consolidated statement of operations for the nine months ended September 30, 2012 and for the year ended December 31, 2011. Refer to the Company's historical condensed consolidated financial statements and notes thereto included in the Company's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2012 and the Company's Annual Report on Form 10-K filed with the SEC on March 9, 2012.
- (2) The tables below set forth the incremental impact of rental revenue and rental expense of the properties acquired by the Company based on the historical operations of such properties for the periods prior to acquisition. The incremental rental revenue includes base rent, which is presented on a straight-line basis. The incremental straight-line rent adjustment resulted in an increase to rental revenue of approximately \$0.3 million for the nine months ended September 30, 2012 and approximately \$6.7 million for the year ended December 31, 2011. The incremental reimbursement and other revenue primarily consists of rental expense recoveries. The incremental rental expense includes operating expenses, insurance expense, and property management fees.

**Rental Revenue Impact:**

	For the Nine Months		For the Year	
	Ended September 30, 2012		Ended December 31, 2011	
	Incremental	Incremental	Incremental	Incremental
	Rental	Reimbursement	Rental	Reimbursement
(dollars in thousands)	Revenue	and Other	Revenue	and Other
	Revenue	Revenue	Revenue	Revenue
Rock Quarry 1 and 2	\$ –	\$ –	\$ 72	\$ 11
Eagle Falls Distribution Center	–	–	36	2
Hagerstown Distribution Center	–	–	232	35
Regional Distribution Portfolio	–	–	3,923	424
Chicago Industrial Portfolio	–	–	3,584	654
Regional Industrial Portfolio	–	–	6,504	2,036
IN/PA Industrial Portfolio	3,151	278	11,666	1,221
Cactus Distribution Centers	2,483	1,355	8,925	1,634
<b>Total</b>	<b>\$ 5,634</b>	<b>\$ 1,633</b>	<b>\$ 34,942</b>	<b>\$ 6,017</b>

**Rental Expense Impact:**

	For the Nine Months		For the Year	
	Ended September 30, 2012		Ended December 31, 2011	
	Incremental	Incremental Real	Incremental	Incremental Real
	Rental Expense	Estate Taxes	Rental Expense	Estate Taxes
(dollars in thousands)	Rental Expense	Estate Taxes	Rental Expense	Estate Taxes
Rock Quarry 1 and 2	\$ –	\$ –	\$ 9	\$ 6
Eagle Falls Distribution Center	–	–	3	6
Hagerstown Distribution Center	–	–	9	22
Regional Distribution Portfolio	–	–	202	361
Chicago Industrial Portfolio	–	–	487	635
Regional Industrial Portfolio	–	–	1,030	1,255
IN/PA Industrial Portfolio	294	499	1,764	1,877
Cactus Distribution Centers	96	464	449	1,193

Total

\$ 390

\$ 963

\$ 3,953

\$ 5,355

- (3) The following table sets forth the incremental depreciation and amortization expense of the properties acquired by the Company. Pursuant to the purchase price allocations, the amounts allocated to buildings will be depreciated on a straight-line basis over a period of 20 to 40 years, and the amounts allocated to intangible in-place lease assets will be amortized on a straight-line basis over the lease term. Above-market lease assets are amortized over the remaining lease term. Below-market lease liabilities are amortized over the remaining lease term, including any renewal periods, as applicable.

(dollars in thousands)	For the Nine Months Ended		For the Year Ended	
	September 30, 2012		December 31, 2011	
	Incremental Depreciation and Amortization	Incremental Amortization of (Above) Below Market Lease Intangibles, net	Incremental Depreciation and Amortization	Incremental Amortization of (Above) Below Market Lease Intangibles, net
Rock Quarry 1 and 2	\$ –	\$ –	\$ 92	\$ (7 )
Eagle Falls Distribution Center	–	–	26	(16 )
Hagerstown Distribution Center	–	–	138	2
Regional Distribution Portfolio	–	–	2,203	(135 )
Chicago Industrial Portfolio	–	–	2,616	(546 )
Regional Industrial Portfolio	–	–	3,909	(217 )
IN/PA Industrial Portfolio	2,233	71	8,592	119
Cactus Distribution Centers	1,372	(148 )	3,933	(402 )
Total	\$ 3,605	\$ (77 )	\$ 21,509	\$ (1,202 )

- (4) Asset management fees were calculated as though the properties acquired by the Company during 2012 and 2011 had been managed by Industrial Income Advisors, LLC, the Company's Advisor, since January 1, 2011. The management fee consists of a monthly fee of one-twelfth of 0.80% of the aggregate cost (including debt, whether borrowed or assumed), before non-cash reserves and depreciation, of each real property asset within the Company's portfolio.
- (5) The acquisition costs incurred by the Company related to these property acquisitions have been excluded from the presentation of the pro forma statement of operations, as these costs were directly attributable to property acquisition transactions and are not recurring in nature. The following table sets forth the impact of acquisition-related expenses of the properties acquired by the Company.

(dollars in thousands)	For the Nine Months Ended		For the Year Ended	
	September 30, 2012		December 31, 2011	
	Acquisition- Related Expenses, Related Party	Acquisition- Related Expenses	Acquisition- Related Expenses, Related Party	Acquisition- Related Expenses
Rock Quarry 1 and 2	\$–	\$–	\$ (514 )	\$ (125 )
Eagle Falls Distribution Center	–	–	(213 )	(60 )
Hagerstown Distribution Center	–	–	(823 )	(535 )
Regional Distribution Portfolio	–	–	(1,918 )	(1,046 )
Chicago Industrial Portfolio	–	–	(1,017 )	(823 )
Regional Industrial Portfolio	–	–	(1,045 )	(571 )
IN/PA Industrial Portfolio	(1,373 )	(1,076 )	–	–
Cactus Distribution Centers	(1,316 )	(76 )	–	–

Total	<u>\$ (2,689 )</u>	<u>\$ (1,152 )</u>	<u>\$ (5,530 )</u>	<u>\$ (3,160 )</u>
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- (6) The following table sets forth the incremental interest expense calculated based on the terms of the mortgage notes payable as if these financings were outstanding as of January 1, 2011:

<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Financed</u>	<u>Estimated Incremental Interest Expense</u>	
				<u>For the Nine Months Ended September 30, 2012</u>	<u>For the Year Ended December 31, 2011</u>
(dollars in thousands)					
January 27, 2011	November 1, 2020	4.81 %	\$12,400	\$ –	\$ 49
January 27, 2011	November 1, 2020	4.81 %	6,160	–	24
January 27, 2011	November 1, 2020	4.81 %	23,440	–	93
June 17, 2011	July 1, 2021	4.70 %	66,869	–	1,501
June 24, 2011	July 1, 2021	4.70 %	43,131	–	1,014
August 4, 2011	June 5, 2017	5.61 %	6,150	–	233
August 25, 2011	July 11, 2016	6.24 %	6,345	–	264
December 13, 2011	March 11, 2017	5.77 %	4,480	–	241
December 15, 2011	January 5, 2019	3.90 %	61,000	–	2,181
May 24, 2012	July 1, 2022	4.25 %	82,350	1,371	3,500
July 11, 2012	August 1, 2023	4.15 %	76,616	1,655	3,180
Total			<u>\$388,941</u>	<u>\$ 3,026</u>	<u>\$ 12,280</u>

- (7) The pro forma weighted average shares of common stock outstanding for the nine months ended September 30, 2012 and for the year ended December 31, 2011 were calculated to reflect all shares sold through November 30, 2012 as if they had been issued on January 1, 2011.