

STAG Industrial, Inc.
Form 8-K
October 11, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 9, 2012**

STAG INDUSTRIAL, INC.

(Exact name of registrant specified in its charter)

Maryland
(State or Other Jurisdiction
Of Incorporation)

1-34907
(Commission
File Number)

27-3099608
(IRS Employer
Identification No.)

99 High Street, 28th Floor

Boston, Massachusetts 02110

(Address of principal executive offices, zip code)

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Registrant's telephone number, including area code: (617) 574-4777

Not applicable

(Former name or former address, if changed since last report)

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 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

As previously disclosed, on August 9, 2012, upon the approval of a special committee of disinterested directors, STAG Industrial, Inc. (the Company), through its subsidiary, STAG Industrial Holdings, LLC, entered into a purchase and sale agreement with the Company's affiliate, STAG Investments Holdings II, LLC (Fund II) and its subsidiaries, to acquire a portfolio of 33 industrial properties (the Fund II Portfolio) with approximately 4.8 million rentable square feet for a total purchase price of approximately \$138.8 million.

On October 9, 2012, the Company completed the acquisition of 31 industrial properties in the Fund II Portfolio with approximately 4.3 million rentable square feet for a total purchase price including closing costs of approximately \$128.8 million. The Company expects to complete the acquisition of the two remaining Fund II Portfolio properties, located in Mishawaka, Indiana and Sterling Heights, Michigan during the fourth quarter of 2012, subject to satisfactory completion of its due diligence and the satisfaction of various other conditions. If any of the outstanding conditions on the two remaining Fund II Portfolio properties are not satisfied, the Company may terminate the acquisition of such properties and the total purchase price will be adjusted. The Company can make no assurance that it will acquire either of the two remaining Fund II Portfolio properties or, if it does, what the timing of any such acquisitions will be.

The Company funded a portion of the purchase price with the net proceeds from its common stock offering in August 2012 and the balance of the purchase price with available cash and borrowings under its senior unsecured revolving credit facility. No debt was assumed in connection with the Company's acquisition of the Fund II Portfolio.

The following table sets forth additional information regarding the Fund II Portfolio as of October 9, 2012:

| Property Address | City | Number of Properties | Asset Type | Year Built | Year Renovated (1) | Total Rentable Square Feet | Occupancy |
|-----------------------------|-------------|----------------------|----------------------------|------------|--------------------|----------------------------|-----------|
| Alabama | | | | | | | |
| 16 Downing Drive | Phenix City | 1 | Warehouse/ Distribution | 1999 | 2004 | 117,568 | 100% |
| Indiana | | | | | | | |
| 1520 Kepner Drive | Lafayette | 1 | Warehouse/ Distribution | 1996 | | 71,400 | 100% |
| 1540-1530 Kepner Drive | Lafayette | 1 | Warehouse/ Distribution | 1995 | 1997 | 120,000 | 100% |
| 1521 Kepner Drive | Lafayette | 1 | Warehouse/ Distribution | 1999 | | 275,000 | 100% |
| 2201 E. Loew Road | Marion | 1 | Warehouse/ Distribution | 1994 | | 249,600 | 100% |
| 400 South Byrkit Avenue (2) | Mishawaka | 1 | Warehouse/ Distribution | 1967 | 2005 | 308,885 | 100% |
| 725 George Nelson Drive (3) | Portage | 1 | Warehouse/ Distribution | 1997 | 1999 | 212,000 | 100% |
| Kansas | | | | | | | |

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|---------------------------------|-------------|---|----------------------------|------|------|---------|------|
| 636 South 66th Terrace | Kansas City | 1 | Manufacturing | 1988 | 2003 | 56,580 | 100% |
| 1900 Wilson Street | Parsons | 1 | Manufacturing | 1954 | 2000 | 120,000 | 100% |
| 2655/2755 South Eastmoor Street | Wichita | 1 | Warehouse/ Distribution | 2002 | | 80,850 | 100% |
| 2652 South Eastmoor Street | Wichita | 1 | Warehouse/ Distribution | 1989 | | 120,000 | 100% |
| 2750 South Rock Road | Wichita | 1 | Warehouse/ Distribution | 2001 | | 44,760 | 100% |
| 2510 South Eastmoor Street | Wichita | 1 | Warehouse/ Distribution | 2000 | | 47,700 | 100% |

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| Michigan | | | | | | | |
|-------------------------------|---------------------|-----------|----------------------------|-----------|------|------------------|------------|
| 260-272 Rex Boulevard | Auburn Hills | 1 | Warehouse/ Distribution | 1988 | | 87,932 | 54% |
| 4757 128th Avenue | Holland | 1 | Warehouse/ Distribution | 2002 | | 195,000 | 100% |
| 5640 Pierson Highway | Lansing | 1 | Warehouse/ Distribution | 2001 | | 250,100 | 100% |
| 22925 Venture Drive | Novi | 1 | Warehouse/ Distribution | 1997 | | 120,800 | 100% |
| 42600 Merrill Street (2) | Sterling Heights | 1 | Warehouse/ Distribution | 1989 | | 108,000 | 100% |
| New York | | | | | | | |
| 122 Balzano Drive | Gloversville | 1 | Warehouse/ Distribution | 1993 | | 101,589 | 55% |
| 6 Clemont Street | Johnstown | 1 | Warehouse/ Distribution | 1994 | | 52,500 | 100% |
| 125 Balzano Street | Gloversville | 1 | Warehouse/ Distribution | 1993 | | 50,000 | 100% |
| 123 Union Avenue | Johnstown | 1 | Warehouse/ Distribution | 2003 | | 60,000 | 100% |
| 141 Sal Landrio Drive | Gloversville | 1 | Flex/Office | 2000 | | 26,529 | 100% |
| 150 Enterprise Drive | Johnstown | 1 | Warehouse/ Distribution | 1993 | 2001 | 57,102 | 100% |
| 231 Enterprise Drive | Johnstown | 1 | Manufacturing | 1995 | | 42,325 | 100% |
| 109 Balzano Drive | Gloversville | 1 | Warehouse/ Distribution | 1989 | | 59,965 | 100% |
| Pennsylvania | | | | | | | |
| 100 Papercraft Park | O Hara Township | 1 | Warehouse/ Distribution | 1967 | 1970 | 887,084 | 100% |
| South Carolina | | | | | | | |
| 308-310 Maxwell Avenue | Greenwood | 1 | Manufacturing | 1991 | | 70,100 | 100% |
| 215 Mill Avenue | Greenwood | 1 | Manufacturing | 1950 | 1997 | 104,955 | 100% |
| 100 Holloway Road | Ware Shoals | 1 | Manufacturing | 1989 | | 20,514 | 100% |
| Tennessee | | | | | | | |
| 1094 Flex Drive | Jackson | 1 | Warehouse/ Distribution | 1971 | 2004 | 250,000 | 0% |
| Texas | | | | | | | |
| 47 Butterfield Circle (3) (4) | El Paso | 1 | Warehouse/ Distribution | 1997/1994 | | 269,245 | 76% |
| Virginia | | | | | | | |
| One Compair Way | Independence | 1 | Warehouse/ Distribution | 1989 | | 120,000 | 100% |
| Total/Weighted Average | | 33 | | | | 4,758,083 | 91% |

- (1) Renovation means a material upgrade, alteration or addition to a building or building systems resulting in increased marketability of the property.
- (2) The Company expects to complete the acquisition of the property during the fourth quarter of 2012, subject to satisfactory completion of its due diligence and the satisfaction of various other conditions. The Company can make no assurance that it will acquire the property or, if it does, what the timing of any such acquisition will be.
- (3) Property held subject to a ground lease.

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- (4) In the Company's Current Report on Form 8-K dated August 9, 2012, the Fund II Portfolio property located in El Paso, Texas was presented as two separate properties. Based on information provided during the Company's due diligence review, the Company revised its presentation to categorize the property as one property with one building.

Prior to the Company's initial public offering and related formation transactions in April 2011, the Company's predecessor business acquired, owned and managed all of the properties in the Fund II Portfolio. Since the completion of the Company's formation transactions, Fund II has continued to operate as a private, fully invested fund and the Company has managed the properties in the Fund II Portfolio pursuant to its services agreement with Fund II.

Certain of the Company's executive officers and their affiliates have direct or indirect interests in Fund II, including residual interests, or contingent profit interests, in Fund II and may receive portions of distributions from the assets of Fund II after return of capital and preferred returns to the equity investors in Fund II. Because of these interests, the Company's board of directors appointed a special committee of disinterested directors to negotiate, evaluate and approve or disapprove of the Company's acquisition of the Fund II Portfolio. In connection with their evaluation of the transaction and negotiation of definitive documentation, the special committee hired its own independent legal counsel, an independent broker and other consultants. In addition, as a result of the interests of certain of the Company's executive officers, the sale of the Fund II Portfolio to the Company is an affiliate sale under Fund II's operating agreement and required that Fund II's third-party institutional investors approve the sale. Fund II received the necessary consent from the Fund II investors.

The foregoing summary of the purchase and sale agreement and the acquisition of the Fund II Portfolio does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the purchase and sale agreement, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

The financial statements required by Item 9.01(a) are currently being prepared. The Company will file the required financial statements under the cover of Form 8-K/A as soon as practicable but no later than 71 calendar days after the latest date on which this initial Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by Item 9.01(b) is currently being prepared. The Company will file the required pro forma financial information under the cover of Form 8-K/A as soon as practicable but no later than 71 calendar days after the latest date on which this initial Current Report on Form 8-K is required to be filed.

Forward-Looking Statements

This Current Report on Form 8-K, together with other statements and information publicly disseminated by the Company, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words believe, will, expect, intend, anticipate, estimate, should, project or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond the Company's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations

include, but are not limited to, the Company's ability to complete the acquisition of the two remaining properties in the Fund II Portfolio and the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, as updated by the Company's Quarterly Reports on Form 10-Q. Accordingly, there is no assurance that the Company's expectations will be realized. Except as otherwise required by the federal securities laws, the Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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.

STAG INDUSTRIAL, INC.

By:

/s/ Kathryn Arnone

Kathryn Arnone

*Executive Vice President, General Counsel and
Secretary*

Dated: October 11, 2012