

Purchase of Carriage Farm

Proposal Guide

Carriage Farm

A Unique Income-Producing Property and Development Opportunity



2 Clerico Lane
Block 200.10, Lots 4 & 4 Q-Farm
Hillsborough Township
Somerset County, New Jersey 08844

Carriage Farm, LLC

1.0 INTRODUCTION

Carriage Farm LLC is accepting proposals to purchase an approximately 19-acre property known as Carriage Farm and located at 2 Clerico Lane, Hillsborough Township in Somerset County, New Jersey (the "Site"). This is a unique business opportunity to own and advance a premier, destination property.

The Site owners desire to retire and are seeking an environmentally conscious and socially driven buyer/developer that can complement and further their achievements: a burgeoning business ecosystem, a diverse office tenancy, and productive light industrial uses; a sustainable and distinctive character built upon the site's agricultural heritage; low-vacancy and rising rental rates; and long-standing partnerships with local leadership, mission-driven organizations and the surrounding community.

The Site includes 49,700 SF of existing income-producing buildings (Phase 1) plus approximately 8.5 acres of vacant, commercial land approved for development (Phase 2) under a flexible, mixed-use zoning designation and a 20-year general development plan (GDP) that allows for creative planning, a wide range of concepts, and approximately 73,000 sf to 200,000 sf of new buildings. Carriage Farm has evolved along with Somerset County, which is experiencing population growth, economic development, and is aggressively planning for more of both.

While the Owner is on an ambitious timeline to identify a buyer, they also feel an obligation to themselves and the community to find the right one. **The Owner will consider negotiating with qualified respondents whose proposal nets at least \$6,000,000 and are in accordance with the Selection Criteria outlined below. While the strong preference is for a straight sale, proposed business partnerships, such as joint ventures, will also be considered.**

A brief application and additional, detailed property information can be found at <https://www.carriagefarm.com/investors>

Proposals will be received until midnight, April 30, 2022.

2.0 SITE CONTEXT AND ASSETS

2.1 Site Overview

- Owner of record: Carriage Farm LLC.
- Location:
 - 2 Clerico Lane at the intersection of Amwell Road (County Route 514); Hillsborough Township Somerset County, New Jersey
 - Block 200.10, Lots 4 & 4 Q-Farm
- Mixed-Use Property: Existing Office and Flex Commercial Buildings; 1 Apartment; Barns; Brewery / Distillery, and Excess Developable Land
- Total Land Area: 18.91 acres / 823,720 square feet
 - Existing Phase I Buildings are located on a 2.7-acre parcel of the Site and total 49,700 square feet
 - 8.5-acres of excess developable land for Phase 2 development
 - 7.6- acres of farmland accessed land used for agricultural purposes
- Existing Infrastructure: all utilities in place with expansion capacity including City water and sewer, natural gas, fire suppression, electric, gas, geothermal HVAC in office spaces, data, and communications.
- Existing Office Features: high-efficiency building systems, handicap access, elevator, high-speed internet, flexible floor plans, individual temperature controls, operable windows, locker, and shower facilities
- Existing Warehouse Features: 12 Bays; Drive Ins 10'x14'; Clear Span 19'

2.2 Property History

Dutch farmers settled the Carriage Farm property in the 18th century. In 1986, the current Owner purchased the 20-acre farm and restored one of the oldest farmhouses in Hillsborough to anchor a 20,000 square foot modern office complex. It was a doctor's horse-drawn carriage found in an historic barn that became the property's namesake. A 250-year-old Dutch barn was recently renovated to display its massive timber beams and old-world charm and is now the home of Flounder Brewing Company. Sharing the barnyard with the brewery is Bellemara Distillery, New Jersey's first single malt distillery making Carriage Farm a Somerset County destination for gatherings and special events.

2.3 Area Description, Growth and Tourism

Somerset County's network of highways, including I-78 and I-287, attract many national and international corporations. Over the past eleven years, population growth has outpaced the State. And household income is greater than statewide figures. Somerset is the third wealthiest county in New Jersey. Hillsborough Township grew 13% between 2010 and 2020 and is located within a targeted growth area as defined by the Somerset County Planning Board.

NJ Transit has proposed a new Hillsborough Train Station opposite Carriage Farm on land purchased by the New Jersey State Department of Transportation (NJDOT). The station would be a stop on a new West Trenton Line connecting with the Raritan Valley Line with a terminus at Newark Penn Station. In Hillsborough, a U.S. Route 206 Bypass has been completed and the township plans to design a downtown along the old Business Route. Tourism is one of the County's largest industries with spending on the rise, especially regarding agri-tourism, food, and beverage. Carriage Farm is recognized by the County as a destination and included in its tourism programming and promotion.

2.4 Zoning Overview

Carriage Farm is located within a Gateway C (GC) zoning district which allows a variety of commercial and transit-supportive uses for Phase 2. In 2003, the Site received Zoning Approval under a 20-year general development plan (GDP), which anticipated development of Phase 2, from the Hillsborough Township Board of Adjustment. Within the GDP, a wide spectrum of allowable uses is identified. This special designation has readily provided for the development of the brewery and distillery as part of Phase I and further solidified the unique combination of users found on the Site.

On the approximately 8.5 acres of developable land, there is the potential to add between 73,000 sf of additional, industrial-flex space via the GDP, or per the requirements of the Gateway C Zone. These numbers consider inclusion of the 7.6-acre Conservation Easement granted to Hillsborough Township in 1987 for calculating Floor Area Ratio (F.A.R.), as permitted by the 2003 Resolution of Approval.

2.5 Income and Market Potential

- Immediate: income potential through current tenancy
 - Professional flex, light industrial, service businesses and agriculture
 - Over 90% occupancy with rising rental rates
 - Max rents approaching \$30 PSF
 - A professional asset management staff that intimately understands the

property and current tenant base (could be retained)

- Future: the Owner is engaged in multiple discussions with potential tenants from a wide spectrum of industries including, but not limited to:
 - Food and beverage (e.g., farm-to-table restaurant)
 - Hospitality
 - Agriculture-based companies
 - Storage and light flex industrial
 - Education (e.g., culinary art programs)
 - Data center developers
- A quality-built environment
 - Offices with independent geothermal heating and cooling units that provide high levels of air filtration and efficient ventilation, including operable windows
 - LEED certification
 - Award-winning repurposed and restored historical structures

3.0 GOALS AND SELECTION CRITERIA

The Owner seeks to engage with and sell to creative, capable, and sensitive developers. Specifically, they are seeking a buyer that can advance their vision by:

- Finding synergies with and building upon the current design and vitality of the Site;
- Providing benefits to tenants, visitors, and the surrounding community;
- Supporting and advancing energy efficiency;
- Advancing the sustainable growth goals of the County and local community.

Proposals will be evaluated based on the following criteria:

- Proposed Purchase Price. Although price is a key factor, it will not be in and of itself determinative (see Section 4.1 below).
- Qualifications. Including relevant experience and technical expertise.
- Program and Design. The extent to which a respondent will promote design excellence and best sustainability practices.
- Feasibility. A demonstrated financial condition to complete a development and to operate the Site long-term.

4.0 SUBMISSION GUIDELINES

To be considered, please adhere to the following guidelines but feel free to include any additional, relevant information.

Your total submission should not be more than 10 pages.

4.1 Proposed Purchase Price and Readiness To Negotiate

Respondents must propose a purchase price. The financial offer should assume that the Site will be disposed of in as-is condition. The Owner will consider negotiating with qualified respondents whose offer nets at least \$6,000,000. Respondents should also be prepared to engage on negotiation of terms immediately upon submittal of their proposal.

In making their proposal, respondents are encouraged to [review the following documents found in Download Package 1.](#)

- June 15, 2021, Appraisal Report by Otteau Group that sets forth a sale value of \$7,450,000 as complete and stabilized
- Nonbinding, draft Contract of Sale terms

Please note that the Owner: may commence negotiations with one or more respondents at any time as part of the Proposal review process; shall not be required to engage a respondent offering the highest price or pick any specific respondent to engage in negotiation; and is not under any obligation to sell the Site to any respondent unless, and until, a contract of sale is executed after negotiations.

All respondents selected to engage in further discussions will be identified without regard to race, color, sex, age, religion, political affiliation, or national origin.

You can utilize the Proposal Questionnaire following this guide to provide the financial offer plus the following:

4.2 Respondent Description

- A description of each team member including his or her role in relationship to the Proposal;
- A description of proposed purchase mechanism; straight purchase preferred, or other partnership or Joint Venture arrangement;
- Name, address, telephone number, and email address of the individual authorized to act as the primary contact;
- Brief descriptions from relevant projects, especially mixed-use projects of similar scope and size; and
- Contact information for references, especially former / current clients.

4.3 Description of Phase II Project Concept

Respondents are encouraged to provide a brief narrative describing:

- Qualitative aspects of development envisioned, e.g., the general distribution of uses, the connection of proposed and current development on the Site, and any other relevant information;
- The respondent's design approach and rationale
- A simple listing of any priority physical improvements, including open space and landscaping, and other factors that will be necessary to implement development ideas; if a respondent wishes to provide a concept illustration, [please use the CAD file found in Downloadable Package 2](#)
- Information demonstrating financial resources required for the proposed purchase and proposed development plan.

4.4 Proposal Submission, Contact and Information Session

Respondents are asked to submit one (1) electronic version of their submission as a PDF file, **preferably via email, by midnight, April 30, 2022, to eclerico@clerico.biz**. Hand delivery, express mail, or courier service of submissions on a flash drive will also be accepted.

Attn: Edward Clerico
Carriage Farm LLC
2 Clerico Lane, Building #1
Hillsborough, NJ 19944

All questions can be directed to the contact above at eclerico@clerico.biz or 908-963-2556.

Respondents are also welcomed to schedule a Site visit or video conference to have questions answered and to have concepts considered.

5.0 A NOTE ON DUE DILIGENCE

Information provided in this guide is for general informational purposes only. It is your responsibility to conduct due diligence on the Site. Prior to submitting a proposal, we encourage you to [review the Proposal Guide found in Downloadable Package 1](#).

The Owner makes no representations regarding the presence or absence of hazardous materials or any other environmental conditions that may impact the value of the Site, or any future development thereon. Each respondent should conduct its own due diligence and independent sampling/research prior to a closing.

6.0 SCHEDULE

- Sale Commencement Date: March 1, 2022
- Information Session upon request via MS Teams
- Question & Answer Submittal and Response: Ongoing
- Submission Deadline: midnight April 30, 2022
- Negotiation Closing Date: June 15, 2022

Please see the following PROPOSAL QUESTIONNAIRE

Carriage Farm Proposal Questionnaire

Please use extra sheets if necessary but please aim to keep total pages under ten (10).

Proposed Purchase Price

Respondents must propose a purchase price. The financial offer should assume that the Site will be disposed of in as-is condition. The proposed price must net a minimum of \$6,000,000. Respondents should also be prepared to engage on negotiation of terms immediately upon submittal of their proposal.

Developer / Business Information

Please make sure to include:

- A description of each team member including his or her role in relationship to the Proposal;
- Any proposed partnership or joint venture for straight purchase (preferred) or other form of transaction;

Business Name	
Business EIN	
Business Address	
Business Phone/Fax	
Business Email/Website	
Secondary Business Address	
Principal's Name, Title,	
Principal's Name, Title,	
Principal's Name, Title,	

Description of Business	
History of Business	

Contact Person for this Project
(Address, Phone Number and Email)

2. Brief Descriptions of Relevant Projects

Please feel free to include separate project sheets or links to project descriptions. We are seeking a quick understanding of relevant mixed-use projects you have conceived or worked on. Make sure to include contact information for references, especially former / current client(s).

Project #1

Project #2

Project #3

3. Description of Phase 2 Project Concept

You are encouraged to provide a brief narrative describing:

- Qualitative aspects of development envisioned, e.g., the general distribution of uses, the connection of proposed and current development on the Site, and any other relevant information;
- The respondent's design approach and rationale
- A simple listing of any priority physical improvements, including open space and landscaping, and other factors that will be necessary to implement development ideas; if a respondent wishes to provide a concept illustration, please use the CAD file found in Downloadable PACKAGE 2 ([See CAD file in Downloadable PACKAGE 2: Background: Site Information](#))
- Information demonstrating financial resources required for the proposed purchase and proposed development plan