Coffee retailer Roasted Bean, is looking into expanding into the midwest by opening several new stores. The company spent $500,000 on a marketing study that suggested significant demand for the company’s coffee products. You are asked to evaluate the project over a 5-year period. You estimate the cost of construction of $40 million depreciated on a straight-line basis over 5 years with a before-tax salvage value of $12 million. Sales for the first year are expected to be $35 million, with 10% growth a year. Historically, costs have been 65% of revenues and working capital requirements have been 10% of the following year ‘s sales. Use NPV and IRR to analyze the project assuming a WACC of 15% and a 40% tax rate. Should the company go ahead with the project?