

Proposal for the  
Redevelopment  
of the

# Association Building

Downtown Woodburn Site  
located on  
Front Street and First Street  
September 22, 2014

## Cover Letter

Mr. James N.P. Hendryx  
Economics & Development Services Director  
270 Montgomery Street  
Woodburn, OR 97071

September 22, 2014

Dear Jim

It is a pleasure to submit this proposal for the redevelopment of the Association Building, which we are renaming Woodburn Town Centre (WTC).


We believe that this is a pivotal property and potentially an iconic symbol for Downtown Woodburn that, if done properly, would add significant benefits to the future growth of the local community.

We think that we have a good business proposition for Woodburn and we have comprehensive professional skills in our team to accomplish this task successfully.

The Foxtron team is well suited for this project. We have a great team dynamic, and all of us are committed to the future growth of the Downtown Woodburn area, which would lead to the fueling of the local economy growth.

Thank you to those reviewing this proposal for considering our team.

Regards,



JK Chay  
jchay@foxtron.us

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# Executive Summary

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## GOALS FOR THIS PROJECT

Based on the Association Building Feasibility Study for the City of Woodburn, dated January 7, 2014:

- **A project** that provides the highest and best uses for the Association Building from a generalized market perspective.
- **A project** that is realistically achievable and practical within the City of Woodburn.
- **A project** that help to activate the Downtown Plaza.
- **A project** that can be used as a model for future upgrades and redevelopment in the downtown area.

## CONCEPT FOR THIS PROJECT

The primary project concept is to develop WTC as the iconic property, with a higher standard, for Downtown Woodburn to attract visitors and businesses, and thereby promoting a higher standard of living for the local community.

### Ground Floor: Caffebene & Woodburn Int'l Market.

Our concept is to provide a unique anchor tenant who can draw visitors to downtown Woodburn. We have chosen Caffebene, International styled Coffeehouse and Bakery. This would be an ideal anchor tenant candidate because of their unique product offerings from all over the world! This would also be complementary to supporting an international marketplace for vendors with multicultural background.

### Upper Floor: Woodburn Business Incubation Center.

In order to complement the ground floor “for-profit” business operation, and to draw more foot traffic into the building, we plan to host non-profit organizations, to promote career development and business incubation services, and special event functions and youth development activities. This would be a win-win combination for the public and for-profit business interests. We will do this by partnering with MERIT<sup>1</sup> and related organizations.

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<sup>1</sup> Microenterprise Resources, Initiates & Training, a non-profit organization, provides business development and business incubation services for both English and Spanish speaking population.



# Executive Summary

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## IMPLEMENTATION FOR THIS PROJECT

1. Once, and if, we have been granted with this project, and the redevelopment budget is approved by the city, we will have detailed architectural drawings and construction/engineering plans to obtain the necessary building permits from the city/county.
2. Once the building permit is approved, we will begin to implement the construction and begin the marketing process to attract additional tenants for the International Market (ground floor) and Business Incubation Center (upper floor). We will do this partnering with a local real estate brokerage company.
3. Operational setup and grand opening of Caffebene along with MERIT and other key tenants to be able to attract foot traffic and continued operational success of WTC.

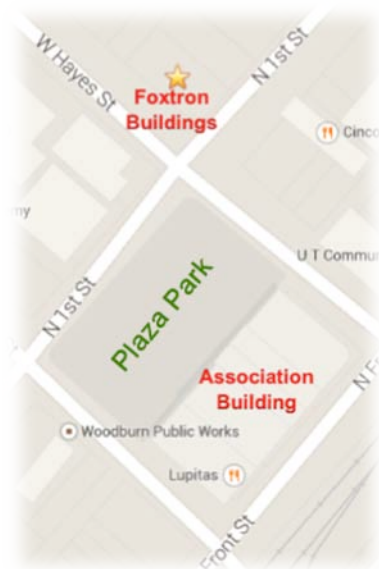
Our plan is to have local businesses to engage in the WTC development process as much as possible. This will be organized as a partnership between private businesses and the community/non-profit organizations. We will do this by working with our PR firm partner to promote WTC as well as Downtown Woodburn.

## BENEFITS FROM THIS PROJECT

Once this project is completed, WTC will attract other businesses to come to the downtown area. This project would also stimulate those property owners who are reluctant to make significant improvements to the North First street area due to the lack of lively business presence.

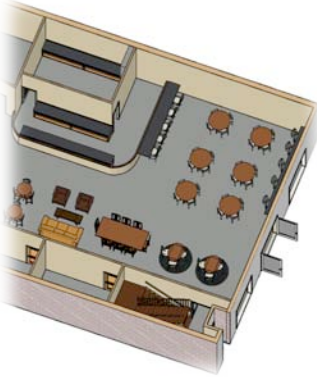
Our ultimate vision for this project is that WTC will become the “tipping point” for additional businesses to sprout in the downtown area similar to the successful transformation of downtown Oregon City a few years ago.<sup>2</sup>

We believe Foxtron (CHAY) is already an active participant of the downtown development program, with our two buildings directly across from Plaza Park, to achieve this vision. We have a strong interest in making the downtown a vibrant place for the community. We will initiate this by successfully completing the planned redevelopment of our own buildings and Association Building, which greatly benefit downtown Woodburn.



<sup>2</sup> <http://www.orcity.org/citymanager/blue-collar-creative>

## Development program and design



## ANCHOR TENANT

Our primary objective in choosing the anchor tenant for WTC is to be able to serve the general public of all ages, sexes, nationality background, and also to be family friendly, rather than an adult-oriented alcoholic establishment or a place hosting a special interest group (such as a religious or a political group).

We wanted to have a tenant that is globally recognized and provide unique offerings (more than commonly known Starbucks or McDonalds) that can help to promote the city of Woodburn as well as bring visitors to the downtown area.

We are pleased to inform you that we have received a letter of commitment from a globally recognized international-styled coffee franchise operation to become our anchor tenant in Woodburn! We have also received LOI and verbal commitments from other tenants that would be complementary to the anchor tenant and the community. The goal is to have a strong anchor that can bring more visitors, and help revitalize the downtown economy.

### Caffebene<sup>3</sup> (Ground Floor)

<http://www.caffebeneusa.com/>

Caffebene is a global coffeehouse operation that serving a broad range of American roasted coffee drinks, European pastries, sandwiches, and other international drinks and desert items such as Italy's Gelato, France's Vin Chaud, Belgian Waffles, Indonesian Chai Tea, Spain's Sangria, and South America's Mojito.

(See Exhibit B.a for a complete menu)

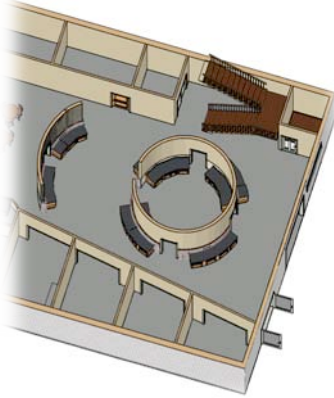
Presently Caffebene has 1,522 stores throughout the world including 105 stores in the US. They have a proven business model and have successfully demonstrated the coffee shop operation in major US cities such as NY and Los Angeles.

The Caffebene franchise operation is rapidly taking off, especially in the US but none in the Northwest. Woodburn would be the first of its kind in the Northwest US. This means Woodburn could potentially become the *epicenter* of this unique coffee house franchise in the Northwestern part of USA.



<sup>3</sup> Caffebene in Italian for: Caffè means Coffee, and Bene means Good.

## Development program and design



### INTERNATIONAL MARKET (GROUND FLOOR)

The concept of Woodburn International Market (WIM) is to bring maximum numbers of vendors into WTC to promote multicultural products. Incorporating WIM to the downtown area is a natural progression, as Woodburn is already a multicultural city.

Unlike the Woodburn Premium Outlets, WIM is more focused on International flavored merchandising, food, and drink items from various cultures and countries. WIM is also a gateway for the world marketplace.

WIM is quite affordable and flexible for most vendors with a maximum downtown walk-in traffic exposure all-year around. WIM offers a tradeshow-like kiosk space for vendors to be able to display and market their products without having to spend a dedicated expensive retail space. For those wanting to have more permanent space, WIM offers up to four *upscale* private retail stores at a fractional cost compared to a large shopping mall. WIM can be used as a place to attract potential customers to vendor's main store elsewhere. The potential of WIM is almost unlimited.

One of the features of WIM during the summer time (June through September) is to host farmers market on the Plaza Park. During the wintertime, it would still be able to provide festival events, such as Oktoberfest, Halloween, or Easter, as demand permits.

### WHO WILL MANAGE WIM

We plan to work with MERIT and TU CASA Real Estate Company to place long-term and short-term tenants.

### GROUND FLOOR PRICING SUMMARY

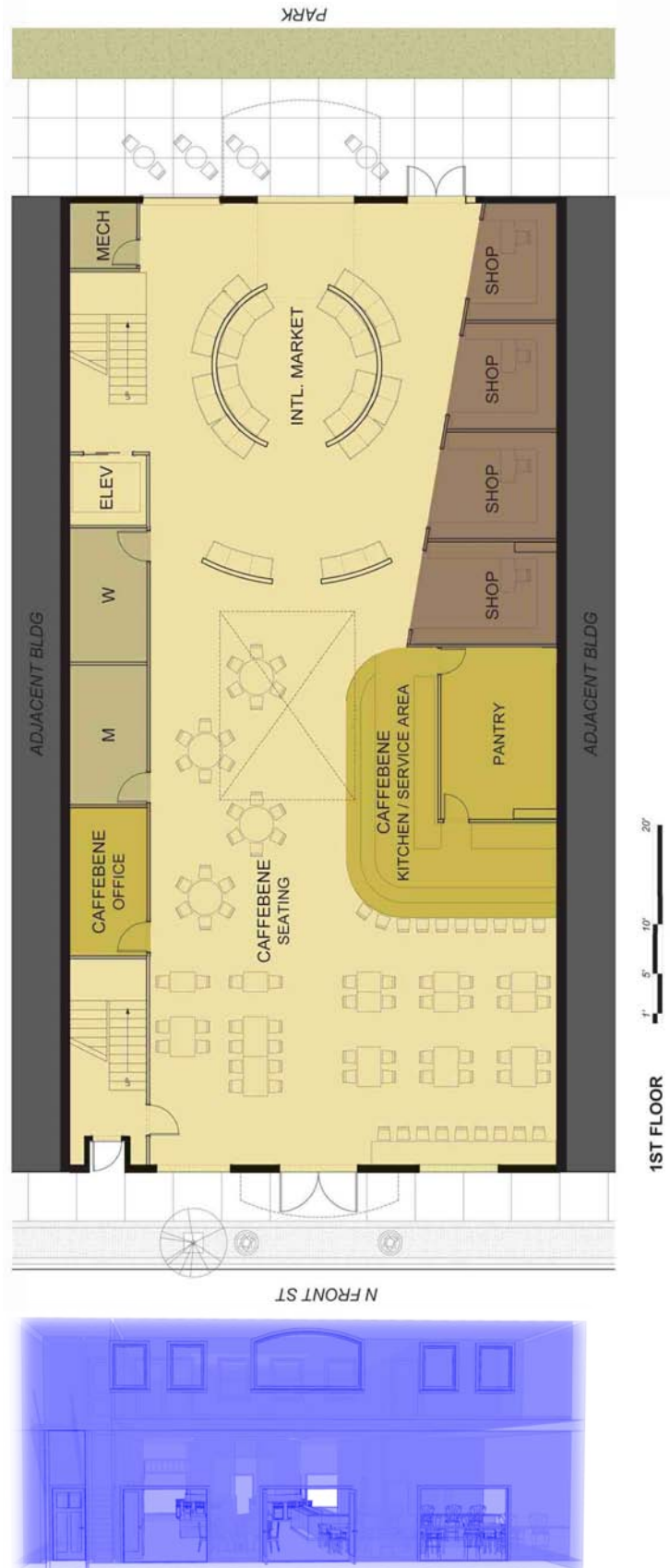
- Caffebene (anchor tenant): \$2,000 to \$3,000 per month
- 10 Kiosk Booths (product showcase): \$100 to \$150 per month
- 4 Private Shops<sup>4</sup>: \$400 to \$500 per month

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<sup>4</sup> These private stores may be combined into one large shop. Members get a discount.

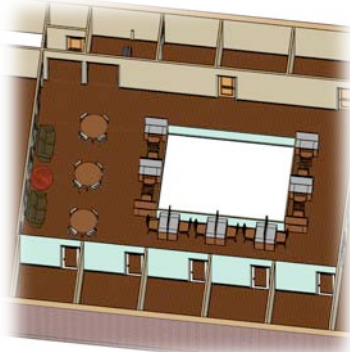


# Development program and design

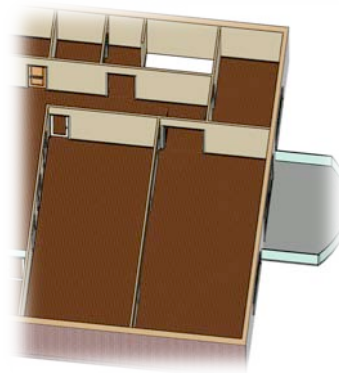




## Development program and design



Business Incubation Lounge  
& Reserved Workstations



Conference and Training Room



Tech Workshop  
(MakerShops)

### BUSINESS INCUBATION CENTER (BIC: UPPER FLOOR)

The primary objective of choosing upper floor tenants is to bring more foot traffic into WTC and to maintain the social-ecological balance between the commercial “for-profit” businesses and the community oriented “non-profit” activities.

We believe that the concept of WTC should be to serve the community as the *pivotal* center of downtown Woodburn while it promotes “commercially” successful business operations. In order to do this, we must balance the maximum profitable business potential of WTC while offering an affordable community oriented facility.

Therefore, our solution is to encourage more foot traffic into the building for the profit-oriented businesses, such as the anchor tenant and Open Market on the ground floor, through the special event functions and non-profit organizations’ offerings from the upper floor. These non-profit organization attendees and other special function events would bring continuous business to the profit oriented tenants on the ground floor. For example, they would buy food and drinks for the meetings from Caffebene and the Market. We see this as a “win-win” arrangement.

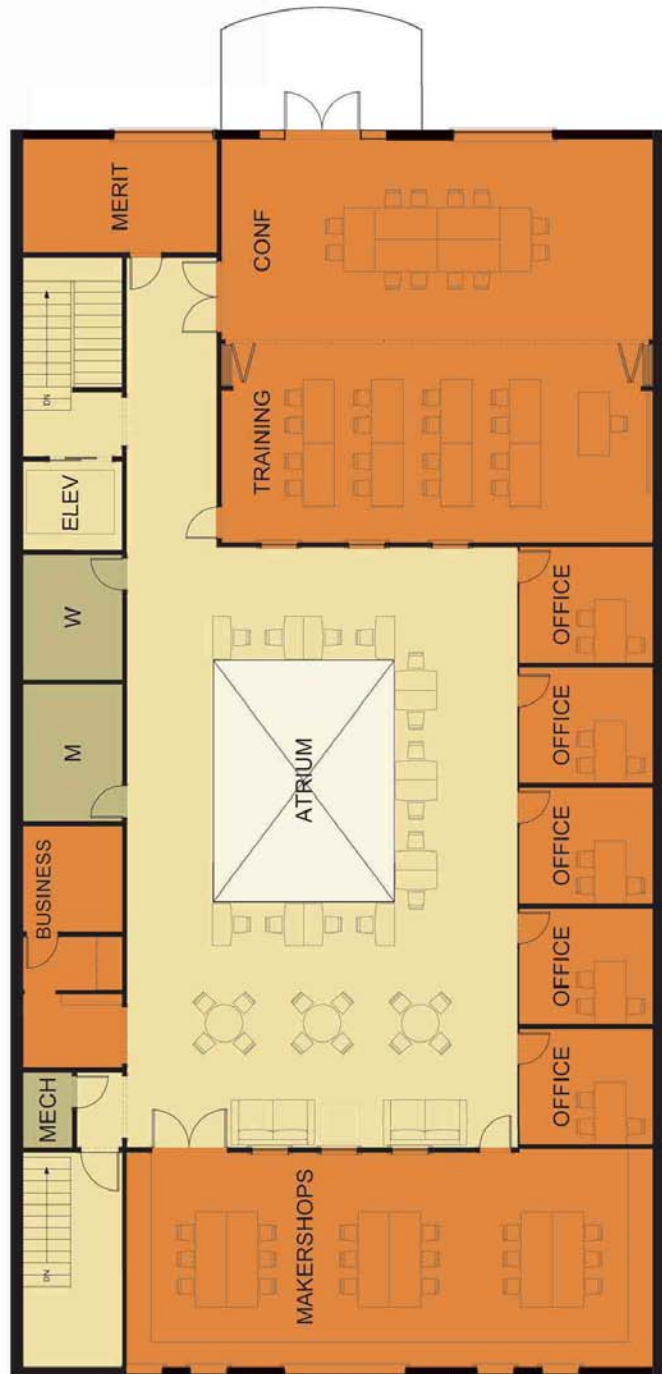
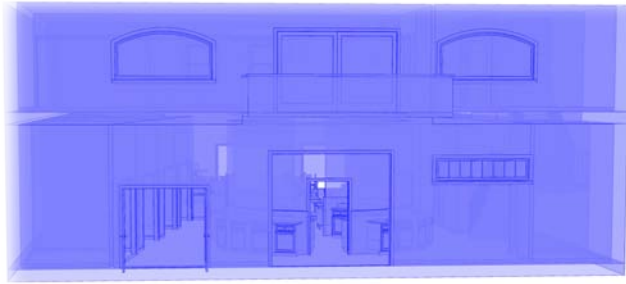
BIC is a membership-based facility. Members will receive discounted price for renting the Balcony Conference Room and other available spaces in WTC building including Open Market tradeshow booth space. All members will have a free access to Wi-Fi, cloud data storage services, work-social lounge area, and reserve a business incubation workstation or a private office at a discounted price.

### UPPER FLOOR PRICING SUMMARY (MONTHLY)

- BIC Membership: \$10 per youth/students/sr. citizen, \$30 per family, \$100 per company, \$20 per incubator.
- MERIT Admin office: \$500 per month
- Membership/Business Store: \$500 to \$750 per month
- 5 Private Offices: \$300 to \$400 per month
- 15 Reserved Incubation Workstations: \$100
- MakerShops<sup>5</sup>: \$750 to \$1000 per month
- Balcony Conference Room: \$300 to \$400 per event
- Training Center: \$200 to \$300 per event

<sup>5</sup> MakerShops can also be used as Youth Development Workshop (such as robotics, 3D printing, or Computer Aided Design).

# Development program and design



2ND FLOOR

## Development program and design



### KEY TENANTS AND USES OF UPPER FLOOR (BIC)

MERIT, Microenterprise Resources, Initiates & Training, a non-profit organization, provides business development and business incubation services for both English and Spanish speaking population.

MERIT, along with Latino Business Association (LBA) and Chemeketa Community College, has strong connections with other non-profit organizations and Small Business Administration (SBA) related organizations. We believe that allowing and helping non-profit organizations for good causes would attract more people to visit WTC and thereby helping for-profit businesses of WTC to be more successful.

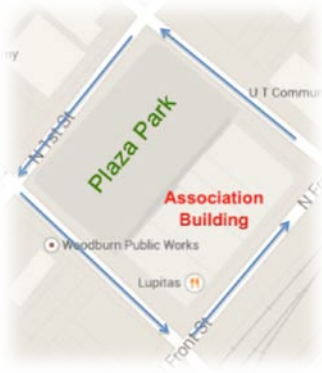
### WHO WILL MANAGE BIC

We plan to work with MERIT and TU CASA Real Estate Company to manage and operate the facility. Our plan is to develop a mutually beneficial partnership for the community service driven organization on the upper floor and profit driven business operation on the ground floor.

### KEY USES OF UPPER FLOOR

- Balcony Conference and Meeting Room
  - Special event functions examples:
    - Corporate/business meetings
    - Birthday/anniversary parties
    - Political/religious gatherings
    - Product demonstrations
    - Town/club meetings
- Business development center
  - MERIT: Non-profit support for both English and Spanish speaking entrepreneurs.
  - LBA: Latino business association
  - SBDC (The Chemeketa Small Business Development Center)
- MakerShops
  - Technical and/or Youth Development Workshops in collaboration with MERIT and Chemeketa Community College.
- Private Offices
  - Private rental space for business incubators.
- Business Service/Business Supply Store
  - Executive Secretarial Service
  - Fax/Copy Machine/Printing
  - Discounted business supplies to WTC members
- WTC membership desk
  - Support and services for WTC members
- Business incubation lounge workstations
  - Open workstation for member entrepreneurs.

## Development program and design



## PARKING

Presently most of downtown parking is off two-way lane streets. This may be suitable to date with limited visitors. As more and more people come to downtown this will not be suitable for more popular retailers and/or organized event functions.

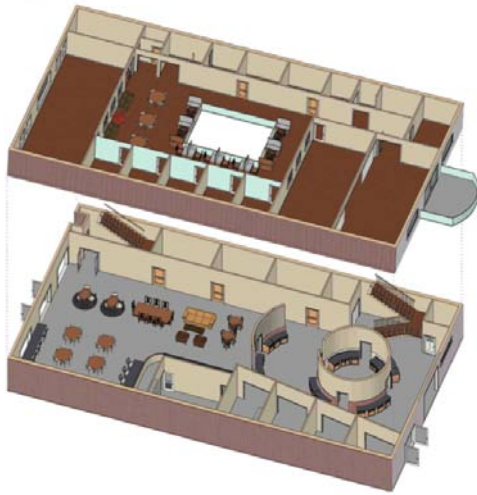
In order to attract more businesses and retailers to downtown, it is highly desirable to create the parking spaces closer to the core downtown area. For this reason, we would recommend the city of Woodburn to consider converting the two-way lanes into one-lane with angled parking rather than parallel to the street. This would drastically increase the amount of cars that can park in the Downtown Woodburn area, which would increase the visitor-counts and thus help businesses.

## JOBS

We estimate there will be at least 20 to 30 tradespeople involved and/or hired, from the local construction company, during the construction of this project. Once the project is completed, WTC tenants can eventually add more than 100 jobs and additional labor services from the local market.



## Development program and design



## DESIGN CHARACTER AND QUALITY STANDARDS

We aim to design a beautiful project that is high quality and sustainable that is good enough to be the iconic property of Woodburn.

Exterior characteristic of WTC would remain the same. We believe that the city of Woodburn has done an excellent job in restoring the building. It is our job to make sure that the interior of the building is well utilized to serve the public and private business purposes.

We have taken “hybrid” design approach to combine the best use of public/private gatherings and business operations.

First, we will have the anchor tenant (Caffebene) to occupy the front ground floor space toward the Front Street. The Woodburn International Market (WIM) will occupy the rear ground floor space, toward the park side.

Overall interior design will be open and industrial look with batt ceiling insulation. There will be a solar atrium in the middle of the building. This will provide needed natural light for the people in the building and save lighting and heating energy.

All of the WIM retail stores will have their own private opening for the space during the WIM business hours and provide security during non-business hours.



Rendering view from Plaza Park



Rendering view from First Street

## Development program and design



### OPEN/GREEN/PUBLIC SPACE

We will have wide-open ceiling spaces on both floors. We plan to maintain 14-foot ceiling space on the ground floor and high ceiling space on the upper floor by insulating directly to the ceiling. This will be complementary with the large solar atrium that provides direct sunlight during the daytime.

We will have direct pedestrian access from Front Street to the Parkside, and vice versa, without any obstruction during business hours. On the Woodburn International Market (WIM) side, people will have access to and from the park freely through the large rollup door (during special summer events) and the main entry door.

### RELATIONSHIP TO SURROUNDING NEIGHBORHOOD

Due to its location and proximity to the downtown park and Front Street, WTC will be sensitive to the scale and proportions of the existing neighborhood.

### SUSTAINABLE DESIGN

(See next page for Sustainable Design)

## Development program and design

**SUSTAINABLE DESIGN:** Foxtron and DECA have a special interest in sustainable architecture. DECA, Foxtron designated architectural firm, has three LEED® Accredited professionals, one of whom is trained in LEED Project Management. They are also a certified Earth Advantage Provider Firm. They have designed one LEED Platinum certified building and two LEED Silver ones and are currently working on an Earth Advantage Gold Building. DECA's designs for new K-12 private international school campuses in Taejon and Suwon, South Korea incorporate state-of-the-art techniques for energy efficiency, saving the schools approximately 40% per year in energy costs. The buildings use simple systems, such as sunshades and light shelves, to evenly distribute natural day-lighting and reduce the need for artificial light. More complex systems are utilized for heat recovery, peak load sizing of mechanical equipment and motion detecting light fixture controls to reduce natural gas and electricity consumption. These methods reduce operating costs, often without increasing the initial cost of construction. DECA has extensive experience with low-toxicity building materials and strives to specify them whenever possible. Studies have shown that proper selection of interior materials and the use of natural day-lighting and ventilation can have a significant, positive impact on health and productivity.

We propose the following sustainable strategies for the Woodburn Association Building upgrade:

- Insulated building envelope exceeding code requirement
- Energy Star rated TPO roof to reflect heat and reduce heat island effect
- Low E glazing for all new exterior windows and skylights
- High efficiency (over 90%) HVAC system
- Motion detecting lighting controls in occupied spaces
- Balanced day-lighting strategy with a combination of skylights, sun-shading devices and high performance glazing to reduce glare and minimize the need for artificial lighting during daylight hours
- Low flow plumbing fixtures to reduce water consumption and minimize impact on City sewer system
- Source low VOC and low-emitting regional materials whenever possible, including paints, sealants, flooring and plywood
- Source regional materials and ones with high recycled content whenever possible
- Energy Star rated appliances

## Development team capability (Developer)

1. **FULL LEGAL NAME**  
Foxtron Corporation  
ABN Foxtron Development  
ABN Foxtron Construction
2. **TYPE**  
S Corporation
3. **PRINCIPALS, MEMBERS, OWNERS**  
Joonees K. (JK) Chay, CEO  
Annette Sirianni (Ann) Chay, Director
4. **PRIMARY CONTACT REGARDING SUBMITTED PROPOSAL**  
Ann Chay  
(503)358-7680  
[ann@foxtron.us](mailto:ann@foxtron.us)
5. **DEVELOPMENT TEAM PARTNERS/ADVISERS**
  - a. Deca Architecture, Inc.
  - b. MERIT
  - c. Tu Casa Real Estate
  - d. MKTX
6. **TENANTS**
  - a. Caffebene
  - b. MERIT
  - c. Latino Business Alliance (LBA)
  - d. The Chemeketa Small Business Development Center (SBDC)
  - e. Chemeketa Community College



## Development team capability (Developer)



### FOXTRON CORPORATION

(ABN Foxtron Development & Foxtron Construction)

<http://www.foxtronicorp.com/>

Founded in 2013 as a real estate development company for the purpose of bringing distressed commercial properties to commercially successful operating properties. We do this by providing in-depth due-diligence on target properties, and development and construction management services to execute the project delivery process in a timely matter.

### Joonees K (JK) Chay, CEO, Foxtron Corporation



JK Chay graduated from Warwick HS in Lititz, PA, and received a BSEE degree from Pennsylvania State University, with minor in Physics, and other graduate studies at WPI and Stanford University. JK has over 10 years of engineering, sales, marketing, and executive management experience from fortune 500 companies (such as IBM, Intel, and Samsung). After working for the fortune 500 companies, he worked as CEO for over 15 years including dealing with various venture capital firms and private investors to fund enterprise software companies in Portland, Oregon. JK has been involved in real estate development while he was CEO for tech startups in the early 1990s. He has become a full time real estate developer and global business development advisor when he left the tech company in early 2000. He has successfully developed and financed over ten commercial and large residential development projects to date.

### Annette Sirianni (Ann) Chay, Director, Foxtron Corporation



Ann Chay is a native of Milwaukie, Oregon, received a BS in Business Management from Portland State University. Ann has been a consistent top sales performer in both retail and high-tech businesses with extensive client relations experience for over 20 years. Ann has closed a multitude of major sales deals and business development works with fortune 500 companies such as McDonald's, IBM, Dell, CompuServe, EPSON, and HP/Compaq. She has been working as the vice president of sales and major accounts development for various companies. Ann was once a licensed real estate broker for both Oregon and California.

## Development team capability (Architect)

### ARCHITECTURE



### INTERIOR DESIGN



### URBAN PLANNING



### BUILDING INFORMATION MODELING (BIM)

### 3D VISUALIZATION

### SUSTAINABILITY



## DECA ARCHITECTURE, INC.

<http://deca-inc.com/>

DECA was founded in 1998. The two principals, David Hyman and Sallee Humphrey, left a large internationally known firm where they were associate principals, to return to a more hands-on approach to design. With over 30 years each in the fields of architecture and interior design, they have expertise in a wide range of project types including public projects, industrial buildings, large facility projects, renovations, adaptive re-use, commercial offices, educational and retail.

Since its founding, the firm has completed projects for dozens of public agencies including TriMet, Metro, the City of Portland, the Portland Development Commission, Portland State University, Portland Community College and others. Much of the work consisted of renovation and adaptive re-use projects involving some form of public-private partnership. DECA is currently engaged in renovation and revitalization work for several public and private clients including the City of Woodburn Public Works, the City of Tigard, PDC, The MAC Club and others.

Deca staff is experienced in all phases of project development, including due diligence and feasibility studies, programming, facilitation of large and small group meetings, zoning and code analysis, design, documentation, sustainable design, project management and construction administration. Deca staff has an average of seventeen years of professional experience.

DECA is a full service architectural firm providing design services for all phases of project execution, from master planning, programming and schematic design through construction documents and construction administration. DECA also has extensive experience with feasibility studies, due diligence reports, ADA assessments and other building evaluation services. We also provide regulatory services such as zoning and building code analysis, code appeals, design review, conditional use and other land use reviews

## Development team capability (Architect)



David Hyman, Principal, Deca Architecture, Inc.  
AIA, LEED AP



For more than 25 years, David has been practicing and leading the design of award-winning projects with complex and demanding requirements. His extensive experience with public projects, particularly in the field of education, gives him keen insight into helping large institutional groups plan and complete long-term projects. David is a natural educator and nurtures a technically adept, research-driven studio culture.

Sallee Humphrey, Principal, Deca Architecture, Inc.  
Interior Designer



Sallee Humphrey has practiced interior architecture and design for more than 25 years. She has led all of DECA's interiors projects, and she has directed the interior design of all of the firm's architectural projects. During her career, she has worked on numerous public projects. Sallee is especially adept at creating compelling color and material palettes for interior spaces and exterior facades.

Shem Harding, Associate Principal, Deca Architecture, Inc. AIA, LEED AP



With over 10 years of architectural experience on institutional and educational projects, Shem is a lead designer in the firm. His gifted sense of design and attention to detail have contributed to the success of many of DECA's most prestigious projects both in the United States and abroad, including Taejon International School, Morrison Academy Performing Arts Center, Shaver Green Apartments and the Oregon Jewish Museum.

## Development team partner (Tenant Partner)



### MERIT: UPPER FLOOR

<http://meritnw.org/>

MicroEnterprise Resources, Initiatives & Training (MERIT) is a non-profit organization working to empower economically, socially, and physically challenged individuals to increase self-sufficiency and build personal assets. MERIT targets people who would not normally access business support services. MERIT offers its services at a very low-cost to individuals who fall below 80% of HUD's median family income level; consequently, most of our clients find our services to be very affordable. By creating their own jobs, our clients are empowered to increase income, build assets and move themselves out of poverty. Since its inception, MERIT has helped over 700 people determine if entrepreneurship was right for them through one of our business planning workshops.

There are over 150 active businesses in the mid-Willamette Valley as of January 2012, which participated in our programs. In fiscal year 2011-2012, 121 individuals received business education through MERIT in which 55% were at low-moderate income, 58% resided in rural communities, 64% were women, 21% were ethnic minorities, 12% were disabled, and 40% unemployed. MERIT helped 30 existing businesses last year and to date 16 businesses have launched. MERIT offers access to business capital through an Individual Development Account program that provides a 3:1 match for savings targeted to business expansion; and is a KivaZip Trustee, a zero percent crowd-funded business loan.



Forrest Peck is the Director of Microenterprise Resources, Initiatives & Training (MERIT) and has worked for them since August, 2007. He is a former business owner, involved in the manufacturing and sale of leather purses and belts. He has over

25 years of experience in finance and community development from his employment with the USDA (Farmers Home Administration and Rural Development) and Seattle Mortgage Company. He has a bachelor's degree in agriculture, and prior experience in starting a non-profit organization (Monmouth Legacy Forest). He serves his community of Independence as a City Councilor, is a member of the Oregon Microenterprise Network Board of Directors and former member of the Polk Soil and Water Conservation District budget committee. He is responsible for all MERIT day-to-day administration and decision making, and provides advising, teaching and other client support to entrepreneurs.



## Development team partner

(Real Estate  
Partner)



### TU CASA REAL ESTATE

<http://www.tucasarealestate.net/>

Tu Casa Real Estate was established in 1993. Since our founding we have been involved in commercial transactions that include lease negotiations; the selling of business opportunities, and the sale of commercial buildings.

In our community we are lending our support to many non-profit organizations in the fields of housing, youth mentoring, parents of disabled children, schools, neighborhood associations, and immigrant rights.



Jose Gonzalez, a native Oregonian, is President/Principal Broker of Tu Casa Real Estate, which has been serving the community for 20 years. He is the founding Board President of the Latino Business Alliance, the Willamette Valley's Hispanic Chamber of Commerce. Jose serves his community in various roles, including the Salem Mayor's International Council, Marion County Sheriff's Community Advisory Committee, Oregon Community Foundation Leadership Council, and Farmworker Housing Development Corporation Board Member. He also had the honor of being invited to the White House on behalf of Immigrant Entrepreneurs.

## Development team partner (Other Tenants)



### LATINO BUSINESS ALLIANCE (LBA): UPPER FLOOR

<http://latinobizalliance.com/>

The LBA empowers small businesses in financial growth while promoting engagement and visibility within the larger American economy. Established in 2010, the Latino Business Alliance aims to advance the financial growth of Latino business in the Willamette Valley.

The LBA will educate Latino businesses regarding interaction within the Latino community and the community at large as well as promoting entrepreneurship and professional development in the Latino youth.



### THE CHEMEKETA SMALL BUSINESS DEVELOPMENT CENTER (SBDC): UPPER FLOOR

<http://www.chemeketa.edu/busprofession/ccbi/>

The training programs and resources of the Chemeketa Center for Business & Industry help create high-performing employees, managers and organizations. The services of CCBI range from online classes to customized training and from reference material to professional advising.

Chemeketa SBDC is funded in part by the Small Business Administration, the State of Oregon, and by Chemeketa Community College.



### CHEMEKETA COMMUNITY COLLEGE: UPPER FLOOR MAKERSHOPS AND INTERNATIONAL MARKET STORE

<http://www.chemeketa.edu/>

Chemeketa is an accredited Community College serving over 30,000 students in Salem, McMinnville, Dallas, Brooks, and Woodburn. Our institution began in 1952, as the Salem technical-vocational school, and continues to expand its education programs to broader subjects. With our unique educational model and class offerings, we are considered to be one of the best regional educational centers in Marion, Polk, and Yamhill counties.

## Development team partner (Marketing Partner)



MKTX, Inc.  
<http://www.mktx.com/>

MKTX practice focuses on three aspects of client marketing communications: image, awareness, and sales support. We are well versed in strategic development, messaging and all the talents and tactics needed to express your brand, attract your markets, and promote sales. We develop solid creative concepts that work hard across multiple media, amortizing your investment while making an impact that delivers results.

We are entrepreneurially oriented. We've been "insiders" on several startup teams, and instrumental in their growth. We believe it is critical for companies to communicate fully, authentically, and honestly in order to establish the trust and value that are critical to viable long-term business success. MKTX's account base is diverse because our interests are diverse, spurred by intellectual curiosity into how client solutions work and the dynamics of their marketplaces.

### Bob Patterson, President, MKTX



Leader of MKTX since its founding in 1998, Bob Patterson has over 30 years of experience in high-tech marketing. He began his career at Intel Corporation where, during his 11 year tenure, he was part of the team of people instrumental in laying the foundations for Intel's success in the microprocessor market. Bob left Intel in 1987 to co-found RadiSys Corporation, an Intel spin-off dedicated to exploiting the "Wintel" hardware/software standardization phenomenon in markets outside of desktop computing. As RadiSys' first VP of marketing and sales, Bob developed and executed the company's initial marketing plans and set up RadiSys' early sales channels. Bob received a bachelors degree in electrical engineering, a masters degree in computer science from the University of Pennsylvania and an MBA from the Wharton School.

## Development team experience (Developer)



## FOXTRON DEVELOPMENT (CHAY LLC)

<http://www.foxtron.us/development.html>

Foxtron Development ownership and experience is stemmed from the long history of CHAY LLC, which was founded in 1993. CHAY LLC has been a family owned business specializing in redevelopment of commercial buildings for over two decades. We have done successfully over ten redevelopment projects mostly in downtown areas of the Portland metropolitan region during this time period. We partner with professional architects and qualified construction contractors to get the job done right the first time.

- **Charbonneau, Wilsonville:** A commercial building approximately 11,000 SF, formerly known as Charbonneau Bar & Grill, plan to be redeveloped as Oregon Wine Garden to host special events and restaurant services.
- **Downtown Woodburn:** Two commercial buildings total approximately 10,000 SF, with a planned development for a country western styled restaurant & brewpub and/or retail shops.
- **Downtown Willamette, West Linn:** Two development projects, total 16,000 SF; presently 6,000 SF is being redeveloped as a restaurant, and 10,000 SF is planned as a mixed-use development.
- **Downtown Beaverton:** Two buildings, one with 5500SF and the other one with 4500 SF, presently occupied as an Italian bistro restaurant and a retail store.
- **NE Portland:** Two lots. One with 6,000 SF office building and the other one is a buildable 10,000 SF lot.
- **SE Portland:** Redevelopment of a 18,000+/- SF building, formerly known as Masonic Temple, including a restaurant, retail shops, music events, and special event/wedding center.
- **Sherwood:** 40 acres of agricultural land development and a residential property in Sherwood.



**Development  
team  
experience**  
(Architect/  
Construction)



Garageland - before



Garageland - after



Pitman Water Ave - before



Pitman Water Ave - after (rendering)

DECA ARCHITECTURE, INC.  
<http://deca-inc.com/>

**GARAGELAND ADAPTIVE REUSE**  
*Portland, Oregon*

Converted from a former Mason's Lodge, Garageland is a multi-use building that houses the Toro Bravo Restaurant, a recording studio, and a 330 seat ballroom. The project included a major seismic upgrade to bring the 1907 building up to code and acoustically isolate each of the uses. The ballroom is used for dance performances, concerts, lectures, weddings, and movies, and it shares a common wall with the Wonder Ballroom (a live music venue on the adjacent lot).

BUDGET        \$600,000

**PITMAN WATER AVE ADAPTIVE REUSE**  
*Portland, Oregon*

DECA has performed several projects for the Pitman family, local developers and owner of Pitman Restaurant Equipment. For this project, the Pitmans wanted to renovate 21,000 sf in an existing warehouse in Portland's Central Eastside to house three ground level productions kitchens with restaurants, and a 2nd level office suite. DECA performed a preliminary feasibility study funded by a PDC grant and continued to develop the design and create construction documents. The project is currently under construction.

BUDGET        \$1.2 million

**PORTLAND STATE UNIVERSITY SMITH CENTER  
BALLROOM RENOVATION**  
*Portland, Oregon*

DECA recently completed the renovation of the 6,500 square foot PSU Smith Memorial Student Union Ballroom, including the Stage, Dressing Rooms and Served. The project consisted of a comprehensive upgrade of lighting, sound system and finishes as well as modifications to the mechanical system. All of the spaces were brought into compliance with the Americans with Disabilities Act. The project won a 2006 AIA/IIDA/IDSA *Citation Design Award for Excellence*.

BUDGET        \$600,000

## Development team experience (Architect/ Construction)



### WATERMAN BUILDING RENOVATION *Portland, Oregon*

This 40,000 sf adaptive re-use project will transform an existing unheated concrete warehouse building into creative office incubator suites for emerging small businesses. Beginning with a PDC DOS feasibility study, DECA assessed the code and cost implications of the occupancy changes, which included a full seismic upgrade. To add light and air and maximize the revenue potential of the building, the design includes light wells cut into the deep floor plates. The exterior design modernizes the building while preserving much of its historic character. Construction will start in the summer of 2014.

BUDGET      \$2 million

### ARLINGTON CLUB - RENOVATION & SEISMIC UPGRADE *Portland, Oregon*

DECA has been working with the Arlington Club for 10 years, providing design services for a phased renovation of most of the Club's major spaces. The design and engineering team has worked with the City to develop a program for seismically upgrading the unreinforced masonry building over time. Upgrades included seismic anchors connecting walls and floors, shear testing and phased strengthening of the brick structural elements. The most recent project was a \$1.5 million renovation of the Banquet Room, Library and elevator lobbies. The design balanced structural improvements, finishes and furnishings updates and maintenance of the traditional image and character of the building.

### BIG-GIANT INC. ADAPTIVE RE-USE *Portland, Oregon*

Big-Giant, a firm that specializes in both graphic design and toy design, purchased a 5,000 square foot office space in a historic brick warehouse that was formerly part of the Portland train yards. The project included a seismic upgrade, complete interior renovation and exterior work, partially funded by a PDC Storefront Improvement grant. This project won a (2008) award for design excellence from the International Interior Design Association (IIDA).

**Development  
team  
experience**  
(Architect/  
Construction)



**MURASE OFFICE RENOVATION**  
*Portland, Oregon*

After preparing a feasibility study for renovating this 5,000 sf concrete and masonry warehouse in North Portland's Russel Street Conservation District, DECA provided design and engineering services for a complete seismic upgrade and renovation of the existing building which included new mechanical and electrical systems, new windows, doors, roofing, and interiors. The construction cost of the project was \$544,000.

**SHERWOOD FIELD HOUSE ADAPTIVE RE-USE**  
*Sherwood, Oregon*

This former 40,000 foundry building in downtown Sherwood was converted into an indoor soccer complex for the YMCA, and offices and a maintenance shop for the City's Public Works Department. Working with the City of Sherwood, DECA completed the project within an accelerated schedule of four months. The \$1.2 million renovation gave new life to an underutilized industrial building, advancing the City's goal of re-vitalizing the downtown while judiciously managing public funds

**TOWNSHIP & RANGE**  
*Portland, Oregon*

DECA collaborated with one of their longtime clients to design a 3,800 sf restaurant serving classic American comfort food on SE Hawthorne Boulevard. This complete renovation of an existing historic building transformed a defunct photo supply store into a midscale eatery featuring exposed steel and wood structure and a period color palette.

## Development team experience (Architect/ Construction)



Woodburn City Hall Upgrades



Woodburn Aquatic Center  
Renovation



Woodburn Wastewater  
Treatment Plant Improvements

TIME	2010–present
\$	various projects from \$20,000–\$300,000
CONTACT	Pete Gauthier Woodburn Public Works (503) 980-2429 pete.gauthier@ ci.woodburn.or.us

## CITY OF WOODBURN PUBLIC WORKS Master Contract for Architectural Services *Woodburn, Oregon*

For the past four years, DECA has provided on-going architectural and engineering services for the City of Woodburn Public Works Department under an on-call contract for several small and medium size projects. Projects to date have included:

- Legion Park New Picnic Pavilion
- Wastewater Treatment Plant Upgrade
- City Hall ADA and Security upgrade
- Aquatic Center Renovation
- Library ADA and Lighting Upgrades
- Police Station HVAC Upgrades
- Fire District Headquarters Station Renovation
- Transit Center Electric Vehicle Charging Stations
- Groundwater System Licensing

In addition, Woodburn has retained DECA to provide storefront and renovation design services to private building owners as part of a Central City Urban Renewal Program.



## Business deal

### Business offer to Woodburn



## BUSINESS OFFER TO WOODBURN

### A. *Tax Increment Financing (TIF) requested including uses in development, construction, and permanent phases of project:*

TIF in the full amount of \$1.5M<sup>6</sup> is being requested for use in the development and construction phases of this project in accordance with the attached budget information.

Of the TIF funds, 100% of Base Construction costs and 50% of Upper Floor Tenant Improvements costs (mostly non-profit organizations) will be given to Developer as a city renewal development grant. The remainder of TIF funds will be given to Developer, for Ground Floor Tenant Improvements (Caffebene and WIM), as 50% in a short-term loan and 50% in a long-term loan, as specified in the "SOURCES AND USES OF FUNDS" Section (page 32).

### *Price to be paid for the property and proposed terms:*

Developer has established a purchase price of \$586,200<sup>7</sup> of the proposed TIF funding amount for the referenced property. The city of Woodburn will be paid this amount through the mutually agreeable short-term, long-term, and business loan programs as stated in section A.

### *Amount of other public financial assistance requested and its proposed use (if any):*

No other public financial assistance is being requested beyond the available TIF in the amount of \$1.5M<sup>6</sup>. Any additional required development fund, if any, Developer shall obtain a bank loan and/or to be self-funded.

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<sup>6</sup> The final TIF and specific loan/grant arrangements shall be negotiated and mutually agreed between the city of Woodburn and Developer upon acceptance of this proposal.

<sup>7</sup> The actual amount shall be calculated based on the tenant improvement costs in combination of 50% of Upper Floor (mostly non-profit) and 100% of Ground Floor (Caffebene and Woodburn International Market), as specified in "SOURCES AND USES OF FUNDS" Section (page 32).

# Business deal Business offer to Woodburn

B. *Projected income and methodologies for preserving successful operation beyond the initial sale (See Exhibit D for more detailed explanation):*

## WTC Pro Forma Net Operating Income (NOI)

	Units	Year 1 Amount/T-Y	Year 2 Amount/T-Y	Year 3 Amount/T-Y	Year 4 Amount/T-Y	Year 5 Amount/T-Y
<b>Gross Income:</b>						
Ground Floor						
Caffeebene	1	\$ 24,000.00	\$ 26,400.00	\$ 29,040.00	\$ 31,944.00	\$ 35,138.40
Retail Shops	4	\$ 21,600.00	\$ 23,760.00	\$ 26,136.00	\$ 28,749.60	\$ 31,624.56
Kiosks	10	\$ 12,000.00	\$ 13,200.00	\$ 14,520.00	\$ 15,972.00	\$ 17,569.20
<i>Sub Total (Ground Floor):</i>		\$ 57,600.00	\$ 63,360.00	\$ 69,696.00	\$ 76,665.60	\$ 84,332.16
Upper Floor						
MERIT Office	1	\$ 6,000.00	\$ 6,300.00	\$ 6,615.00	\$ 6,945.75	\$ 7,293.04
Conference Room	1	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00	\$ 13,891.50	\$ 14,586.08
Training Room	1	\$ 9,000.00	\$ 9,450.00	\$ 9,922.50	\$ 10,418.63	\$ 10,939.56
Private Offices	5	\$ 18,000.00	\$ 18,900.00	\$ 19,845.00	\$ 20,837.25	\$ 21,879.11
Supply Store	1	\$ 6,000.00	\$ 6,300.00	\$ 6,615.00	\$ 6,945.75	\$ 7,293.04
Tech Workshop	1	\$ 9,000.00	\$ 9,450.00	\$ 9,922.50	\$ 10,418.63	\$ 10,939.56
Incubator stations	15	\$ 13,500.00	\$ 14,175.00	\$ 14,883.75	\$ 15,627.94	\$ 16,409.33
Membership fees	100	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00	\$ 13,891.50	\$ 14,586.08
<i>Sub Total (Upper Floor):</i>		\$ 85,500.00	\$ 89,775.00	\$ 94,263.75	\$ 98,976.94	\$ 103,925.78
<b>Operating Expenses:</b>						
Ground Floor (20%)						
Caffeebene	1	\$ 4,800.00	\$ 5,280.00	\$ 5,808.00	\$ 6,388.80	\$ 7,027.68
Retail Shops	4	\$ 4,320.00	\$ 4,752.00	\$ 5,227.20	\$ 5,749.92	\$ 6,324.91
Kiosks	10	\$ 2,400.00	\$ 2,640.00	\$ 2,904.00	\$ 3,194.40	\$ 3,513.84
<i>Sub Total (Ground Floor):</i>		\$ 11,520.00	\$ 12,672.00	\$ 13,939.20	\$ 15,333.12	\$ 16,866.43
Upper Floor (40%)						
MERIT Office	1	\$ 2,400.00	\$ 2,520.00	\$ 2,646.00	\$ 2,778.30	\$ 2,917.22
Conference Room	1	\$ 4,800.00	\$ 5,040.00	\$ 5,292.00	\$ 5,556.60	\$ 5,834.43
Training Room	1	\$ 3,600.00	\$ 3,780.00	\$ 3,969.00	\$ 4,167.45	\$ 4,375.82
Private Offices	5	\$ 7,200.00	\$ 7,560.00	\$ 7,938.00	\$ 8,334.90	\$ 8,751.65
Supply Store	1	\$ 2,400.00	\$ 2,520.00	\$ 2,646.00	\$ 2,778.30	\$ 2,917.22
Tech Workshop	1	\$ 3,600.00	\$ 3,780.00	\$ 3,969.00	\$ 4,167.45	\$ 4,375.82
Incubator stations	15	\$ 5,400.00	\$ 5,670.00	\$ 5,953.50	\$ 6,251.18	\$ 6,563.73
MERIT Management Fee 10%		\$ 8,550.00	\$ 8,977.50	\$ 9,426.38	\$ 9,897.69	\$ 10,392.58
<i>Sub Total (Upper Floor):</i>		\$ 37,950.00	\$ 39,847.50	\$ 41,839.88	\$ 43,931.87	\$ 46,128.46
<b>NOI:</b>						
Ground Floor						
Caffeebene	1	\$ 19,200.00	\$ 21,120.00	\$ 23,232.00	\$ 25,555.20	\$ 28,110.72
Retail Shops	4	\$ 17,280.00	\$ 19,008.00	\$ 20,908.80	\$ 22,999.68	\$ 25,299.65
Kiosks	10	\$ 9,600.00	\$ 10,560.00	\$ 11,616.00	\$ 12,777.60	\$ 14,055.36
<i>Sub Total (Ground Floor):</i>		\$ 46,080.00	\$ 50,688.00	\$ 55,756.80	\$ 61,332.48	\$ 67,465.73
Upper Floor						
MERIT Office	1	\$ 3,600.00	\$ 3,960.00	\$ 4,356.00	\$ 4,791.60	\$ 5,270.76
Conference Room	1	\$ 7,200.00	\$ 7,920.00	\$ 8,712.00	\$ 9,583.20	\$ 10,541.52
Training Room	1	\$ 5,400.00	\$ 5,940.00	\$ 6,534.00	\$ 7,187.40	\$ 7,906.14
Private Offices	5	\$ 10,800.00	\$ 11,880.00	\$ 13,068.00	\$ 14,374.80	\$ 15,812.28
Supply Store	1	\$ 3,600.00	\$ 3,780.00	\$ 3,969.00	\$ 4,167.45	\$ 4,375.82
Tech Workshop	1	\$ 5,400.00	\$ 5,940.00	\$ 6,534.00	\$ 7,187.40	\$ 7,906.14
Incubator stations	15	\$ 8,100.00	\$ 8,910.00	\$ 9,801.00	\$ 10,781.10	\$ 11,859.21
Membership fees	100	\$ 12,000.00	\$ 13,200.00	\$ 14,520.00	\$ 15,972.00	\$ 17,569.20
MERIT Management Fee 10%		\$ (8,550.00)	\$ (9,405.00)	\$ (10,345.50)	\$ (11,380.05)	\$ (12,518.06)
<i>Sub Total (Upper Floor):</i>		\$ 47,550.00	\$ 52,125.00	\$ 57,148.50	\$ 62,664.90	\$ 68,723.02
<b>Total NOI:</b>		\$ 85,080.00	\$ 93,835.50	\$ 103,478.93	\$ 114,099.69	\$ 125,796.17
Total Investment						
Investment CAP Rate		5.67%	6.26%	6.90%	7.61%	8.39%
Asset Management Fee (10%)	10%	\$ 8,508.00	\$ 9,383.55	\$ 10,347.89	\$ 11,409.97	\$ 12,579.62
<b>Net Income</b>		\$ 85,080.00	\$ 93,835.50	\$ 103,478.93	\$ 114,099.69	\$ 125,796.17

# Business deal

## Business offer to

### Woodburn

## C. Financial feasibility: Development Budget

### Woodburn Association Building Development Budget (WTC)

Prepared by Foxtron Development, Foxtron Corporation (September 22, 2014)

Use	Base Construction	Tenant Improvement (Upper Floor: Non-profit)	Tenant Improvement (Caffebene + Market)	\$ Total	% of Total
Land/Acquisition	\$ -	\$ -	\$ -	\$ -	0.00%
Construction Hard Costs					
Base Construction	\$ 460,820	\$ -	\$ -	\$ 460,820	27.40%
Tenant Improvement (General Overall)	\$ -	\$ 272,596	\$ 181,731	\$ 454,327	27.02%
Tenant Improvement (Caffebene)	\$ -	\$ -	\$ 90,802	\$ 90,802	5.40%
Off-site Improvement	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Subtotal Construction Hard Cost</b>	<b>\$ 460,820</b>	<b>\$ 272,596</b>	<b>\$ 272,533</b>	<b>\$ 1,005,949</b>	<b>59.82%</b>
Development Soft Cost					
Architectural Service (All except Caffebene)	\$ 22,500	\$ 22,500	\$ -	\$ 45,000	2.68%
Architectural Service (Included under Caffebene)	\$ -	\$ -	\$ -	\$ -	0.00%
Architectural Service (Reimburse expense)	\$ -	\$ 1,250	\$ 1,250	\$ 2,500	0.15%
Structural Engineering	\$ 15,000	\$ -	\$ -	\$ 15,000	0.89%
Fees & Permits:					
Building permit	\$ 14,315	\$ -	\$ -	\$ 14,315	0.85%
Mechanical permit	\$ 1,876	\$ -	\$ -	\$ 1,876	0.11%
Electrical permit	\$ 2,305	\$ -	\$ -	\$ 2,305	0.14%
Plumbing permit	\$ 3,972	\$ -	\$ -	\$ 3,972	0.24%
System Development Charge (SDC) for traffic	\$ 77,816	\$ -	\$ -	\$ 77,816	4.63%
Other estimated SDC fees:	\$ 25,000	\$ -	\$ -	\$ 25,000	1.49%
Wastewater: \$17/gallon peak day use					
Water: \$7.84/gallon peak day use					
Parks: \$31/employee					
Storm Water \$0.11/square feet					
<b>Subtotal Soft Cost</b>	<b>\$ 162,784</b>	<b>\$ 23,750</b>	<b>\$ 1,250</b>	<b>\$ 187,784</b>	<b>11.17%</b>
Caffebene					
Franchise Fee			\$ 35,000	\$ 35,000	2.08%
Interior			\$ 24,351	\$ 24,351	1.45%
Sign & Raw Materials			\$ 25,159	\$ 25,159	1.50%
Construction Audit			\$ 5,000	\$ 5,000	0.30%
Equipment			\$ 81,487	\$ 81,487	4.85%
Initial Inventory			\$ 22,033	\$ 22,033	1.31%
Food Model and etc.			\$ 3,798	\$ 3,798	0.23%
Promotion			\$ -	\$ -	0.00%
Powder (1 month usage)			\$ 2,560	\$ 2,560	0.15%
Training			\$ 1,000	\$ 1,000	0.06%
<b>Subtotal Caffebene</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,387</b>	<b>\$ 200,387</b>	<b>11.92%</b>
Construction Financing					
Fees				\$ -	0.00%
Interest				\$ -	0.00%
Permanent Financing Fees				\$ -	0.00%
Marketing/Leasing	\$ -	\$ 2,500	\$ 2,500	\$ 5,000	0.30%
Property Insurance	\$ -	\$ 2,500	\$ 2,500	\$ 5,000	0.30%
Legal & Accounting	\$ -	\$ 1,500	\$ 1,500	\$ 3,000	0.18%
Escrow/Title/Recording	\$ 3,000	\$ -	\$ -	\$ 3,000	0.18%
Reserves					
Lease-up	\$ -	\$ -	\$ -	\$ -	0.00%
Debt Service	\$ -	\$ -	\$ -	\$ -	0.00%
Other	\$ 3,333	\$ 3,333	\$ 3,333	\$ 10,000	0.59%
<b>Subtotal Other &amp; Reserves</b>	<b>\$ 6,333</b>	<b>\$ 9,833</b>	<b>\$ 9,833</b>	<b>\$ 26,000</b>	<b>1.55%</b>
Estimating Contingency (12%)	\$ 40,238	\$ 40,238	\$ 40,238	\$ 120,714	7.18%
<b>SUB-TOTAL CONSTRUCTION</b>	<b>\$ 501,058</b>	<b>\$ 312,834</b>	<b>\$ 312,771</b>	<b>\$ 1,126,663</b>	<b>67.00%</b>
General Contractor OH & Profit (10%)	\$ 37,555	\$ 37,555	\$ 37,555	\$ 112,666	6.70%
General Conditions/Insurance/Bond (2.5%)	\$ 9,389	\$ 9,389	\$ 9,389	\$ 28,167	1.67%
<b>TOTAL DIRECT CONSTRUCTION COST</b>	<b>\$ 548,002</b>	<b>\$ 359,778</b>	<b>\$ 359,715</b>	<b>\$ 1,267,496</b>	<b>75.37%</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$ 717,119</b>	<b>\$ 393,362</b>	<b>\$ 571,185</b>	<b>\$ 1,681,667</b>	<b>100.00%</b>
<i>Percent of Total Development Cost</i>	<i>42.64%</i>	<i>23.39%</i>	<i>33.97%</i>	<b>100%</b>	

FOXTRON DEVELOPMENT IN PARTNERSHIP WITH DECA ARCHITECTURE, MKTX, MERIT, TU CASA, LBA, AND CAFFEBENE.

(Proposal for Woodburn Association Building, September 22, 2014)

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# Business deal

## Business offer to

### Woodburn

## C. Financial feasibility: Sources and Uses of Funds

DEVELOPMENT USES	Base Construction	Tenant Improvement (Upper Floor: Non-profit)	Tenant Improvement (Caffebene + Market)	Total	% of Total
Total Direct Construction Cost	\$ 548,002	\$ 359,778	\$ 359,715	\$ 1,267,496	75.37%
Total Development Soft Cost	\$ 162,784	\$ 23,750	\$ 1,250	\$ 187,784	11.17%
Total Caffebene	\$ -	\$ -	\$ 200,387	\$ 200,387	11.92%
Total Other & Reserve	\$ 6,333	\$ 9,833	\$ 9,833	\$ 26,000	1.55%
Total Development Cost	\$ 717,119	\$ 393,362	\$ 571,185	\$ 1,681,667	100.00%
Less Post-Construction Cost	\$ -	\$ -	\$ -	\$ -	0.00%
Total Construction Period Cost	\$ 717,119	\$ 393,362	\$ 571,185	\$ 1,681,667	100.00%

CONSTRUCTION SOURCES	Base Construction	Tenant Improvement (Upper Floor: Non-profit)	Tenant Improvement (Caffebene + Market)	Total	% of Total
Equity					
Investor Equity	\$ -	\$ -	\$ -	\$ -	0.00%
Developer Equity <sup>(1)</sup>	\$ -	\$ -	\$ 181,667	\$ 181,667	10.80%
Subtotal Equity	\$ -	\$ -	\$ 181,667	\$ 181,667	10.80%
Requested Woodburn City Construction Grant <sup>(2)</sup>	\$ 717,119	\$ 196,681	\$ -	\$ 913,800	54.34%
Requested Woodburn City Construction Loan					
Short Term Loan <sup>(3)</sup>	\$ -	\$ 196,681	\$ 96,419	\$ 293,100	17.43%
Long Term Loan <sup>(4)</sup>	\$ -	\$ -	\$ 293,100	\$ 293,100	17.43%
Subtotal Construction Loans	\$ -	\$ 196,681	\$ 389,519	\$ 586,200	34.86%
Non-Woodburn City Grant & Subsidy Sources	\$ -	\$ -	\$ -	\$ -	0.00%
Total Construction Sources	\$ 717,119	\$ 393,362	\$ 571,185	\$ 1,681,667	100.00%
Percent of Total Development Cost	42.64%	23.39%	33.97%	100.00%	
CONSTRUCTION FUNDING SURPLUS	\$ -	\$ -	\$ -	\$ -	

#### Notes:

1. Developer has an option to obtain a business loan and/or to partner with investors if necessary.
2. 100% for Base Construction and 50% for Upper Floor Non-Profit Tenant Improvements. Developer shall be responsible for the rest.
3. Short term forgivable low interest loan up to 5 years (50% short term/50% long term)
4. Long term 30 year low interest amortization loan (50% short term/50% long term)



# Implementation

## PROJECT SCHEDULE

TASK	DATE (M-YR)
<b>Financing</b>	
Finalize negotiations for the sale and redevelopment of the Property	Oct-14
Property Tax Exemption Application (Upper Floor, Non-Profit Use)	Nov-14
Appraisal Completed (if applicable)	TBD
Secure Financing Commitments	Nov-14
<b>Closing on Property Purchase and/or Development Contingency Agreement</b>	Dec-14
<b>Pre-Development Design Completed</b>	
Schematic	Jan-15
Design Development	Feb-15
Construction & Engineering Drawings	Apr-15
<b>Finalize Caffebene franchise agreement</b>	
Start	Feb-15
Completion	Mar-15
<b>Pre-Developments Approved</b>	
Building Use	Apr-15
Design Review	Apr-15
Building Permits	May-15
<b>Finalize Construction Contract Negotiation</b>	Jun-15
<b>Base Construction</b>	
Start	Jun-15
Completion	Oct-15
<b>General Tenant Improvement Construction</b>	
Start	Aug-15
Completion	Oct-15
<b>Preleasing Activity</b>	
Upper Floor (Business Incubation Center)	Jun-15
Ground Floor (International Market)	Jun-15
<b>Upper Floor Leasing</b>	
Begin Leasing	Oct-15
Complete Leasing	Dec-15
<b>Ground Floor Market Leasing</b>	
Begin Leasing	Oct-15
Complete Leasing	Dec-15
<b>Caffebene Construction &amp; Development</b>	
Start	Sep-15
Completion	Oct-15
<b>Caffebene Employee Hiring and Training</b>	
Start	Nov-15
Completion	Dec-15
<b>Caffebene Grand Opening (Final Stage)</b>	Jan-16

## Exhibits

- A. Preliminary Construction Bid
  - a. Base Construction
  - b. General Tenants Construction
  - c. Caffebene Construction
- B. Caffebene
  - a. Caffebene Menu
  - b. Caffebene Estimate & Equipment List
  - c. Caffebene Pro Forma Income
- C. WTC Income Projection
- D. Preliminary architectural drawings
  - a. 3D rendering view from Front Street
  - b. 3D rendering view from Plaza Park
  - c. Ground floor architectural drawing
  - d. Upper floor architectural drawing
- E. LOI from Development Partners/Tenants
  - a. Caffebene
  - b. MERIT
  - c. Latino Business Alliance (LBA)

# Exhibits

## A. Preliminary Construction Bid

### a. Base Construction (1 of 2)

### b. General Tenants Construction

### c. Caffebene Construction

Woodburn Association Building (Woodburn Town Centre) Woodburn Construction Co. Woodburn, OR	Foxtron Development 405 N. 1st Street, Woodburn, OR 97071 <a href="http://www.foxtron.us">www.foxtron.us</a> Phone: 503.358.7680	Estimate Date: 12-Sep-14 Document Date: 20-Sep-14
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Base Construction Cost	Quantity	Unit	Cost / Unit	Unit	Cost	Sub-totals	Comments
<b>demolition</b>							
remove existing slab on grade	5,000	sf	2.5	\$	12,500.00		
stair openings/sky light/atrium/misc.	1	sf	7220	\$	7,220.00		
misc. temp work / cut / patch / protect	1	sf	4640	\$	4,640.00		
haul & disposal	1	sf	5710	\$	5,710.00		
Sub-total	0	sf	0	sf		\$ 30,070.00	
<b>earthwork</b>							
remove sub base	5,000	sf	1.5	\$	7,500.00		
4" subbase compacted	5,000	sf	0.86	\$	4,300.00		
private locates	1.00	ea	1500	\$	1,500.00		
vapor barrier	5,000	sf	0.25	\$	1,250.00		
Sub-total		sf		sf		\$ 14,550.00	
<b>concrete</b>							
4" slab on grade	5,000	sf	5	\$	25,000.00		
Sub-total		sf		sf		\$ 25,000.00	
<b>metals</b>							
Balcony (steel, pan deck, conc. Iron rail)	1	ea	25,000.00	\$	25,000.00		Budget
roof ladder	1	ea	1500	\$	1,500.00		
misc.	0	sf		\$	-		
Sub-total	0	sf		sf		\$ 26,500.00	
<b>carpentry</b>							
perimeter wall framing	1	ea	13540	\$	13,540.00		
atrium, sky light, hvac curbs	1	ea	9780	\$	9,780.00		
2 stairways	1	ea	8400	\$	8,400.00		
interior walls at mech, stairs, etc.	1	ea	11540	\$	11,540.00		
second floor deck repair / sheathing	1	ea	9940	\$	9,940.00		
misc.blocking / framing	1	ea	4250	\$	4,250.00		
Structural / seismic (hvac support)	1	lf	50000	\$	50,000.00		Budget
Sub-total		sf		sf		\$ 107,450.00	
<b>moisture control</b>							
rigid insulation under slab	1,200	sf	5	\$	6,000.00		
ceiling insulation R-38 (if no roof ins.)	5,000	sf	1.35	\$	6,750.00		w/cap sheet
wall batt insulation, R-21 at ext.	7,800	sf	0.95	\$	7,410.00		w/visq. Sht. Ext.
2nd floor insulation R-30 (sound)	5,000	sf	1	\$	5,000.00		
roof patch at rtu, elec, sky light, vents	1	sf	4200	\$	4,200.00		
roof hatch, 6' x 4'	1	ea	2,500.00	\$	2,500.00		
caulking / sealants	1	sf	250	\$	250.00		
Sub-total		sf		sf		\$ 32,110.00	

# Exhibits

## A. Preliminary Construction Bid

### a. Base Construction (2 of 2)

### b. General Tenants Construction

### c. Caffebene Construction

<b>openings</b>				
2 doors / frames at mech. Rooms	2	750	\$	1,500.00
14' x 14' double pitch sky light	196 sf	90	\$	17,640.00
		sf		\$ 19,140.00
<b>finishes</b>				
gyp at mech. Rm walls / lid ; fire tape	1500 sf	1	\$	1,500.00
fire extinguishers	4 lf	100	\$	400.00
paint door & frame	ea		\$	-
paint walls	sf		\$	-
paint ceiling Sub-total	sf		\$	-
		sf		\$ 1,900.00
<b>vertical transportation</b>				
elevator	1 stop	60,000.00	\$	60,000.00
elevator cab finishes Sub-total	1 sum	15000	\$	15,000.00
	sf	sf		\$ 75,000.00
<b>plumbing</b>				
Underslab SS, water & Fire lines	1 lf	7500	\$	7,500.00
Connection to city / tap for construction	1 lf	2500	\$	2,500.00
Water line to 2nd floor, venting to roof	1 ea	3500	\$	3,500.00
Fire sprinkler riser & mains at 2 floors	1 lf	18,000.00	\$	18,000.00
elevator sump pump budget	1 sum	3,000.00	\$	3,000.00
	sf			\$ 34,500.00
<b>HVAC</b>				
RTU's installed, duct, temp. controls	1 cfm	50000	\$	50,000.00
	sf	sf		\$ 50,000.00
<b>Electrical</b>				
600 amp service, meter base, panels	1 sum	12,000.00	\$	20,800.00
hvac connections	1 sum	4,800.00	\$	4,800.00
plan / design / permit	1 sum	3,800.00	\$	3,800.00
Exterior lighting	8 sum	600.00	\$	4,800.00
Phone board / line to elevator	1 sum	800.00	\$	800.00
Temp. lights / service outlets	1 sum	800.00	\$	800.00
fire alarm smoke/heat detectors	1 sum	8,800.00	\$	8,800.00
Sub-total	sf	sf		\$ 44,600.00
				\$ 460,820.00
Estimating Contingency		12.00%		\$ 55,298.40
<b>SUB-TOTAL BASE CONSTRUCTION</b>				\$ 516,118.40
General Contractor OH & Profit		10.00%		\$ 51,611.84
General Conditions/Insurance / Bond		2.50%		\$ 12,902.96
<b>SUBTOTAL</b>				\$ 580,633.20
<b>TOTAL DIRECT BASE CONSTRUCTION COST</b>	<b>10,550 sf</b>	<b>\$10,400.00</b>	<b>sf</b>	<b>\$ 580,633.20</b>



# Exhibits

## A. Preliminary Construction Bid

a. Base Construction

b. General Tenants Construction (1 of 2)

c. Caffebene Construction

Woodburn Association Building (Woodburn Town Centre) Woodburn Construction Co. Woodburn, OR	Foxtron Development 405 N. 1st Street, Woodburn, OR 97071 <a href="http://www.foxtron.us">www.foxtron.us</a> Phone: 503.358.7680	Estimate Date: 12-Sep-14 Document Date: 20-Sep-14
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Base Construction Cost	Quantity	Unit	Cost / Unit	Unit	Cost	Sub-totals	Comments
<b>finishes</b>							
Stainless steel framing / drywall	8,880	sf	5	\$	44,400.00		
Insulation at interior walls	8,880	sf	0.95	\$	8,436.00		
penetration sealants / fireproofing	1	ea	500	\$	500.00		
acoustical ceilings	7,200	sf	3	\$	21,600.00		
painting walls & ceilings	22,000	sf	1.25	\$	27,500.00		
finishing doors & painting frames	24	sf	150	\$	3,600.00		
ceramic tile / waterproofing (upper fl.)	450	sf	20	\$	9,000.00		
FRP wainscot	512	sf	8	\$	4,096.00		
Carpeting / laminate flooring	930	sy	25	\$	23,250.00		budget
rubber base	2,300	lf	2.25	\$	5,175.00		
toilet partitions / urinal screens	1	ea	5,200	\$	5,200.00		
restroom countertops	20	lf	250	\$	5,000.00		corian
toilet accessories / installation	4	ea	1,750	\$	7,000.00		budget
fire extinguishers / cabinets / install	4	ea	450	\$	1,800.00		
horizontal louver blinds / installed	800	sf	8	\$	6,400.00		budget
		lf	0	\$	-		budget
Sub-total	0	sf	0	sf		\$ 172,957.00	
<b>doors, frames &amp; glass partitions</b>							
doors & frames	24	sf	650	\$	15,600.00		
dr. / frame/hardware installation	72	sf	55	\$	3,960.00		
folding grills at shop entrances	4.00	ea	5,000	\$	20,000.00		
atrium 42" glass railing	70	lf	225	\$	15,750.00		
Sub-total		sf		sf		\$ 55,310.00	
<b>fire suppression</b>							
install heads / testing / plan / permit	1	ea	15,000	\$	15,000.00		
Sub-total		sf		sf		\$ 15,000.00	
<b>plumbing</b>							
4 restrooms / I drink fountain / water							Budget
heater / back flow / floor drains							
2 mop sinks / 2 ext. hose bibbs							
cond. Lines 2 hvac / roof drain re-route	1	sf	60,000	\$	60,000.00		
Sub-total	0	sf		sf		\$ 60,000.00	

# Exhibits

## A. Preliminary Construction Bid

a. Base Construction

b. General Tenants Construction (2 of 2)

c. Caffebene Construction

<b>hvac</b>					
ducting to entire building / zoning controls / testing / balancing / dampers grills, louvers, etc.	1 ea	66,500	\$	66,500.00	
Sub-total	sf	sf		\$	66,500.00
<b>electrical</b>					
fire alarm	1 ea	11,585	\$	11,585.00	
voice / data	1 ea	7,975	\$	7,975.00	
rough-in / finish / lighting / controls raceways	1 ea	65,000	\$	65,000.00	
Sub-total	sf	sf		\$	84,560.00
				\$	454,327.00
Estimating Contingency		12.00%		\$	54,519.24
<b>SUB-TOTAL BASE CONSTRUCTION</b>				\$	508,846.24
General Contractor OH & Profit		10.00%		\$	50,884.62
General Conditions/Insurance / Bond		2.50%		\$	12,721.16
<b>SUBTOTAL</b>				\$	572,452.02
<b>TOTAL DIRECT BASE CONSTRUCTION COST</b>	<b>\$57.25 sf</b>	<b>10,000 sf</b>		\$	572,452.02

# Exhibits

## A. Preliminary Construction Bid

a. Base Construction

b. General Tenants Construction

c. Caffebene Construction (1 of 2)

Woodburn Association Building (Woodburn Town Centre) Woodburn Construction Co. Woodburn, OR	Foxtron Development 405 N. 1st Street, Woodburn, OR 97071 <a href="http://www.foxtron.us">www.foxtron.us</a> Phone: 503.358.7680	Estimate Date: 12-Sep-14 Document Date: 20-Sep-14
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Base Construction Cost	Quantity	Unit	Cost / Unit	Unit	Cost	Sub-totals	Comments
<b>demolition</b>							
cut and remove concrete for plumbing	100	sf	10	\$	1,000.00		
Sub-total	0	sf	0	sf		\$ 1,000.00	
<b>concrete</b>							
patch back concrete	100	sf	10	\$	1,000.00		
Sub-total		sf		sf		\$ 1,000.00	
<b>construction</b>							
insulation	1	ea	250	\$	250.00		
joint sealers	1	ea	50	\$	50.00		
counter supports (metal tube)	6	ea	150	\$	900.00		
steel stud framing and drywall							
knee wall, soffit, alterations, façade	1	ea	8500	\$	8,500.00		
Sub-total		sf		sf		\$ 9,700.00	
<b>finishes</b>							
FRP	20	ea	200	\$	4,000.00		
paint	1	ea	1850	\$	1,850.00		
sneeze guard	1	ea	1500	\$	1,500.00		
ceramic tile patch at floor plumbing	100	ea	15	\$	1,500.00		
acoustical ceilings	100	sf	8	\$	800.00		
countertops (corian)	224	sf	53	\$	11,872.00		
stainless steel wall finish	225	sf	40	\$	9,000.00		
Sub-total		sf		sf		\$ 30,522.00	
<b>fire suppression</b>							
alterations	1	ea	2,500	\$	2,500.00		
Sub-total		sf		sf		\$ 2,500.00	
<b>plumbing</b>							
floor drains, floor sink, water heater							
backflow device, 2 comp. sink connect,							
hand sink, 2 water lines, underslab							
rough-in, finish, permit	1	sf	15,000	\$	15,000.00		
Sub-total	0	sf		sf		\$ 15,000.00	

# Exhibits

## A. Preliminary Construction Bid

a. Base Construction

b. General Tenants Construction

c. Caffebene Construction (2 of 2)

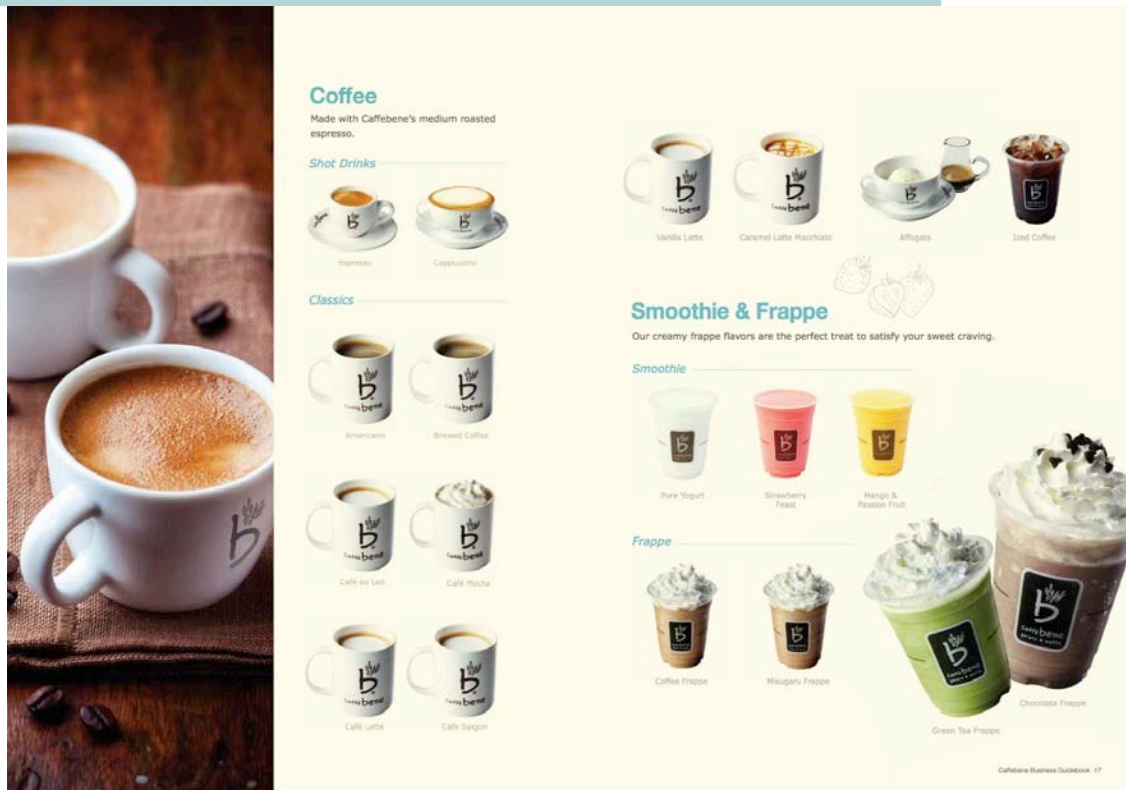
<b>hvac</b>					
alterations	1 ea	2,500	\$	2,500.00	
Sub-total	sf	sf		\$	2,500.00
<b>electrical</b>					
fire alarm alterations	1 ea	1,500	\$	1,500.00	
voice / data / POS	1 ea	850	\$	850.00	
rough-in / finish / lighting / controls					
raceways, connect equipment	1 ea	25,000	\$	25,000.00	
Sub-total	sf	sf		\$	27,350.00
<b>miscellaneous</b>					
install owners equipment	1 ea	1,230	\$	1,230.00	
Sub-total	sf	sf		\$	1,230.00
Estimating Contingency		12.00%		\$	90,802.00
				\$	10,896.24
<b>SUB-TOTAL BASE CONSTRUCTION</b>				\$	101,698.24
General Contractor OH & Profit		10.00%		\$	10,169.82
General Conditions/Insurance / Bond		2.50%		\$	2,542.46
<b>SUBTOTAL</b>				\$	114,410.52
<b>TOTAL DIRECT BASE CONSTRUCTION COST</b>	<b>\$176.02</b> sf	<b>650</b> sf		\$	114,410.52



## Exhibits

### B. Caffebene

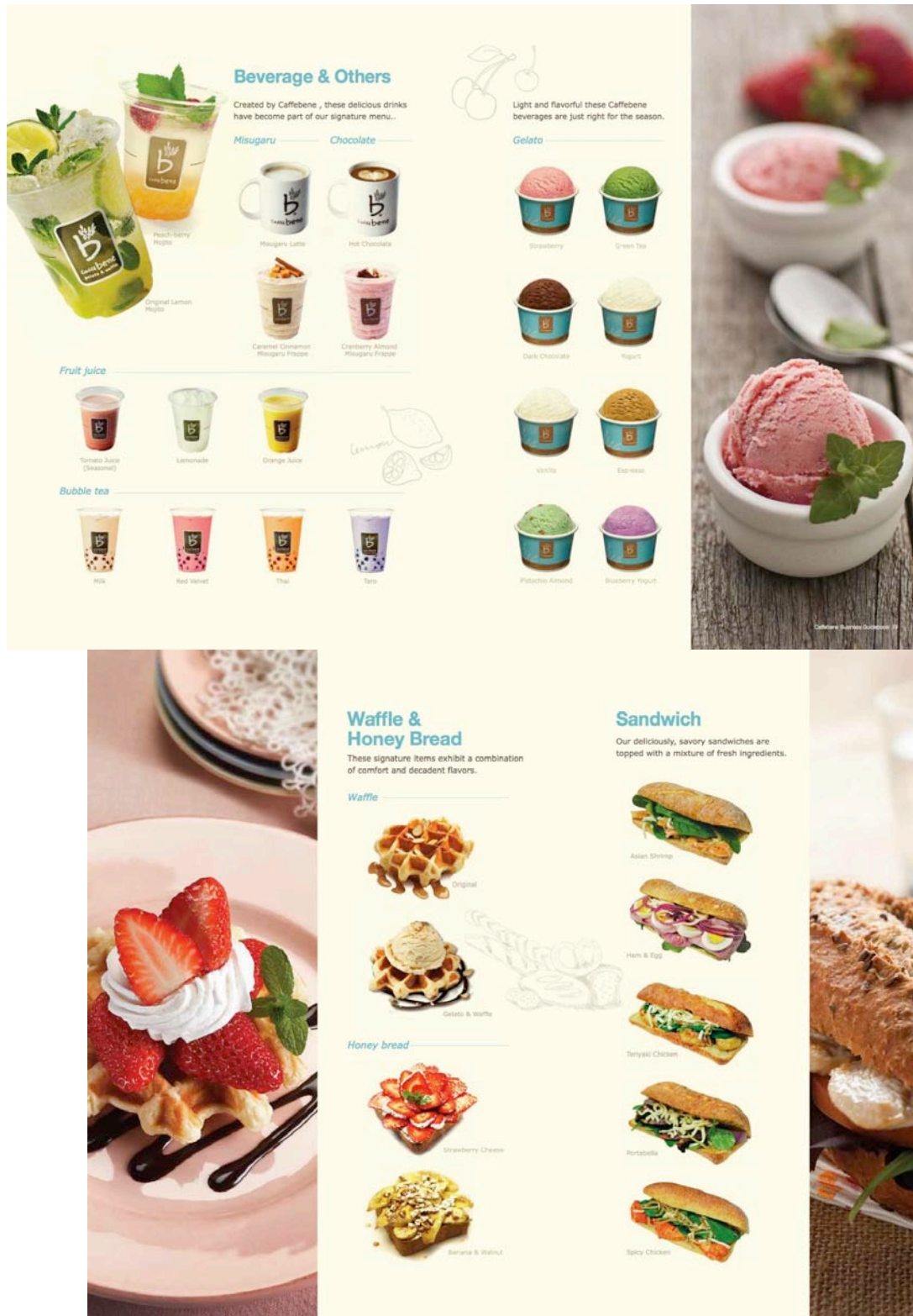
- Caffebene Menu (1 of 2)
- Caffebene Estimate & Equipment List
- Caffebene Pro Forma Income



## Exhibits

### B. Caffebene

- Caffebene Menu (2 of 2)
- Caffebene Estimate & Equipment List
- Caffebene Pro Forma Income



## Exhibits

### B. Caffebene

### a. Caffebene Menu

b. Caffebene Estimate & Equipment List (1 of 2)

### c. Caffebene Pro Forma Income



## Estimate / Contract

Date:

Store Location	CAFFÉ BENE		
Total	\$ 165,000.00		
Estimate Details			
Item	Specification	Total	Note
Training	Off-site training	1,000.00	
	Barista training and other necessary training to open		
	Additiona Training Support (4wk)		
Interior		24,350.72	
Sign & Raw Material	Negotiated Terms	25,158.70	
	Construction and Inspection		
	Construction Audit	5,000.00	
Equipment	Furniture	81,487.16	
	Equipment		
	Small supplies		
Paper Goods & Initial Inventory	Paper Goods & Initial Inventory	22,032.67	
POP	Food Model, and etc	3,797.86	
Opening Promotion	Promotion	-	
Powder	1mo usage	2,560.00	
Etc			
Inventory Deposit	Reimbursed after 3 month of opening		
Discount	1 dollar unit	387.11	
TOTAL		\$ 165,000.00	
Payment Schedule	30% due at signing; 30% upon shipment, 30% upon container receipt, 10% prior to open		
※ Caffebene Inc. is not liable for any insurance reimbursement due to non-payment prior to U.S. Customer procedure and has a right to impose warehouse expense and any related expenses to the Franchisee Sign:			
Franchisor			
Franchisee			

## Exhibits

### B. Caffebene

a. Caffebene Menu

b. Caffebene Estimate & Equipment List (2 of 2)

c. Caffebene Pro Forma Income

NO	Item	Quantity	Price	
			Unit Price	Total
1	Gelato dipping case S	1	9,500.00	9,500.00
2	Cake showcase Ref	1	7,000.00	7,000.00
3	Waffle maker	1	2,250.50	2,250.50
4	Blender	2	874.68	1,749.36
5	Blender Ball	4	150.00	600.00
6	Grinder	1	1,990.00	1,990.00
7	Grinder	1	3,500.00	3,500.00
8	Espresso Machine	1	16,200.00	16,200.00
9	Prep Table	1	297.85	297.85
10	Knock box	1	85.00	85.00
11	Hot water tower (1)	1	700.00	700.00
12	Coffee Brewer	1	2,410.00	2,410.00
13	Coffee Dispenser	4	337.50	1,350.00
14	Brewer Coffe grinder	1	1,618.00	1,618.00
15	Ice Shaver	1	2,015.00	2,015.00
16	Undercounter Ice Bin (2)	2	2,600.00	5,200.00
17	Table Refrigerator	2	1,625.00	3,250.00
18	Prep Table	1	3,630.00	3,630.00
19	Refrigerator (50BOX)	1	4,077.22	4,077.22
20	Freezer (50BOX)	1	5,146.41	5,146.41
21	Oven(UNOX)	1	2,700.00	2,700.00
22	Microwave	1	275.62	275.62
23	Dipper well	1	104.00	104.00
24	Blender Rinser	1	355.00	355.00
<b>TOTAL</b>		<b>33</b>		<b>76,003.96</b>

# Exhibits

## B. Caffebene

- a. Caffebene Menu
- b. Caffebene Estimate & Equipment List
- c. Caffebene Pro Forma Income<sup>1</sup>

### Caffebene (5 Year Pro Forma Income)

	2016		2017		2018		2019		2020	
	Daily Sales		Daily Sales		Daily Sales		Daily Sales		Daily Sales	
	\$ 1,500	%	\$ 1,800	%	\$ 2,160	%	\$ 2,592	%	\$ 3,110	%
Total Sales (monthly)	\$ 42,000	100%	\$ 50,400	100%	\$ 60,480	100%	\$ 72,576	100%	\$ 87,091	100%
Food Cost	\$ 12,600	30%	\$ 15,120	30%	\$ 18,144	30%	\$ 21,773	30%	\$ 26,127	30%
Operating Expenses:										
Employee's Wages	\$ 17,500	41.67%	\$ 19,250	38.19%	\$ 21,175	35.01%	\$ 23,293	32.09%	\$ 25,622	29.42%
Rent	\$ 2,000	4.76%	\$ 2,200	4.37%	\$ 2,420	4.00%	\$ 2,662	3.67%	\$ 2,928	3.36%
Alarm & Security	\$ 100	0.24%	\$ 100	0.20%	\$ 100	0.17%	\$ 100	0.14%	\$ 100	0.11%
Insurance	\$ 700	1.67%	\$ 700	1.39%	\$ 700	1.16%	\$ 700	0.96%	\$ 700	0.80%
Maintenance	\$ 840	2.00%	\$ 1,008	2.00%	\$ 1,210	2.00%	\$ 1,452	2.00%	\$ 1,742	2.00%
Utility	\$ 1,260	3.00%	\$ 1,512	3.00%	\$ 1,814	3.00%	\$ 2,177	3.00%	\$ 2,613	3.00%
Logistic	\$ 420	1.00%	\$ 504	1.00%	\$ 605	1.00%	\$ 726	1.00%	\$ 871	1.00%
Advertisement	\$ 2,100	5.00%	\$ 2,520	5.00%	\$ 3,024	5.00%	\$ 3,629	5.00%	\$ 4,355	5.00%
MISC	\$ 1,260	3.00%	\$ 1,512	3.00%	\$ 1,814	3.00%	\$ 2,177	3.00%	\$ 2,613	3.00%
Royalty	\$ 2,898	6.90%	\$ 3,478	6.90%	\$ 4,173	6.90%	\$ 5,008	6.90%	\$ 6,009	6.90%
Total Expenses	\$ 29,078	69.23%	\$ 32,784	65.05%	\$ 37,035	61.24%	\$ 41,923	57.76%	\$ 47,552	54.60%
Profit	\$ 322	0.77%	\$ 2,496	4.95%	\$ 5,301	8.76%	\$ 8,880	12.24%	\$ 13,412	15.40%
Monthly Sale (Break Even Point)	\$ 41,678		\$ 47,904		\$ 55,179		\$ 63,696		\$ 73,679	
Daily Sale (Break Even Point)	\$ 1,489		\$ 1,711		\$ 1,971		\$ 2,275		\$ 2,631	
Total Sales by Year	\$ 504,000		\$ 604,800		\$ 725,760		\$ 870,912		\$ 1,045,094	
Total Profit by Year	\$ 3,864		\$ 29,957		\$ 63,608		\$ 106,564		\$ 160,942	

<sup>1</sup> Note: Based on the average revenue in 2011 of a Starbuck Store was \$1,078,000, which is approximately \$3,000 per day.  
Source: [http://www.answers.com/Q/What\\_is\\_at\\_Starbucks\\_average\\_store\\_sales](http://www.answers.com/Q/What_is_at_Starbucks_average_store_sales)



### C. WTC Income Projection

## WTC Net Operating Income (NOI) Pro Forma

		Units	Amount/Unit	Amount/T-M	Year 1 Amount/T-Y	Amount/Unit	Amount/T-M	Year 2 Amount/T-Y	Amount/Unit	Amount/T-M	Year 3 Amount/T-Y	Amount/Unit	Amount/T-M	Year 4 Amount/T-Y	Amount/Unit	Amount/T-M	Year 5 Amount/T-Y	
Gross Income:	Ground Floor	Coffeehouse	1	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00	\$ 2,200.00	\$ 2,200.00	\$ 26,400.00	\$ 2,420.00	\$ 2,420.00	\$ 29,040.00	\$ 2,662.00	\$ 2,662.00	\$ 31,944.00	\$ 2,928.20	\$ 2,928.20	\$ 35,138.40
		Retail Shops	4	\$ 450.00	\$ 1,800.00	\$ 21,600.00	\$ 495.00	\$ 1,980.00	\$ 23,760.00	\$ 544.50	\$ 2,178.00	\$ 26,136.00	\$ 598.95	\$ 2,395.80	\$ 28,769.60	\$ 658.85	\$ 2,635.38	\$ 31,624.56
		Kiosks	10	\$ 100.00	\$ 1,000.00	\$ 12,000.00	\$ 110.00	\$ 1,100.00	\$ 13,200.00	\$ 121.00	\$ 1,210.00	\$ 14,520.00	\$ 133.10	\$ 1,331.00	\$ 15,972.00	\$ 146.41	\$ 1,464.10	\$ 17,569.20
		Sub Total (Ground Floor):			\$ 4,800.00	\$ 57,600.00		\$ 5,280.00	\$ 63,360.00		\$ 5,808.00	\$ 69,696.00		\$ 6,388.80	\$ 76,665.60		\$ 7,027.68	\$ 84,332.16
	Upper Floor	MERIT Office	1	\$ 500.00	\$ 500.00	\$ 6,000.00	\$ 525.00	\$ 525.00	\$ 6,300.00	\$ 551.25	\$ 551.25	\$ 6,615.00	\$ 578.81	\$ 578.81	\$ 6,945.75	\$ 607.75	\$ 607.75	\$ 7,293.04
		Conference Room	1	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00	\$ 1,050.00	\$ 1,050.00	\$ 12,600.00	\$ 1,102.50	\$ 1,102.50	\$ 13,230.00	\$ 1,157.63	\$ 1,157.63	\$ 13,891.50	\$ 1,215.51	\$ 1,215.51	\$ 14,586.08
		Training Room	1	\$ 750.00	\$ 750.00	\$ 9,000.00	\$ 787.50	\$ 787.50	\$ 9,450.00	\$ 826.88	\$ 826.88	\$ 9,922.50	\$ 868.22	\$ 868.22	\$ 10,418.63	\$ 911.63	\$ 911.63	\$ 10,939.56
		Private Offices	5	\$ 300.00	\$ 1,500.00	\$ 18,000.00	\$ 315.00	\$ 1,575.00	\$ 18,900.00	\$ 330.75	\$ 1,653.75	\$ 19,837.25	\$ 347.29	\$ 1,786.41	\$ 20,893.25	\$ 364.65	\$ 1,823.26	\$ 21,879.11
		Supply Store	1	\$ 500.00	\$ 500.00	\$ 6,000.00	\$ 525.00	\$ 525.00	\$ 6,300.00	\$ 551.25	\$ 551.25	\$ 6,615.00	\$ 578.81	\$ 578.81	\$ 6,945.75	\$ 607.75	\$ 607.75	\$ 7,293.04
		Tech Workshop	1	\$ 750.00	\$ 750.00	\$ 9,000.00	\$ 787.50	\$ 787.50	\$ 9,450.00	\$ 826.88	\$ 826.88	\$ 9,922.50	\$ 868.22	\$ 868.22	\$ 10,418.63	\$ 911.63	\$ 911.63	\$ 10,939.56
	Incubator stations	15	\$ 75.00	\$ 1,125.00	\$ 13,500.00	\$ 78.75	\$ 1,181.25	\$ 14,175.00	\$ 82.69	\$ 1,240.31	\$ 14,883.75	\$ 86.82	\$ 1,302.33	\$ 15,677.94	\$ 91.16	\$ 1,367.44	\$ 16,409.33	
	Membership fees	100	\$ 10.00	\$ 1,000.00	\$ 12,000.00	\$ 10.50	\$ 1,050.00	\$ 12,600.00	\$ 11.03	\$ 1,102.50	\$ 13,230.00	\$ 11.58	\$ 1,157.63	\$ 13,891.50	\$ 12.16	\$ 1,215.51	\$ 14,586.08	
	Sub Total (Upper Floor):			\$ 7,125.00	\$ 85,500.00		\$ 7,481.25	\$ 89,775.00		\$ 7,855.31	\$ 94,263.75		\$ 8,248.08	\$ 98,976.94		\$ 8,660.48	\$ 103,925.78	
Operating Expenses:																		
Ground Floor (20%)	Coffeehouse	1	\$ 400.00	\$ 400.00	\$ 4,800.00	\$ 440.00	\$ 440.00	\$ 5,280.00	\$ 484.00	\$ 484.00	\$ 5,808.00	\$ 532.40	\$ 532.40	\$ 6,388.80	\$ 585.64	\$ 585.64	\$ 7,027.68	
	Retail Shops	4	\$ 90.00	\$ 360.00	\$ 4,320.00	\$ 99.00	\$ 396.00	\$ 4,752.00	\$ 108.90	\$ 435.60	\$ 5,227.20	\$ 119.79	\$ 479.16	\$ 5,749.92	\$ 131.77	\$ 527.08	\$ 6,324.91	
	Kiosks	10	\$ 20.00	\$ 200.00	\$ 2,400.00	\$ 22.00	\$ 220.00	\$ 2,640.00	\$ 24.20	\$ 242.00	\$ 2,904.00	\$ 26.62	\$ 266.20	\$ 3,194.40	\$ 29.28	\$ 292.82	\$ 3,513.84	
	Sub Total (Ground Floor):			\$ 960.00	\$ 11,520.00	\$ -	\$ 1,056.00	\$ 12,672.00	\$ -	\$ 1,161.60	\$ 13,939.20	\$ -	\$ 1,277.76	\$ 15,333.12	\$ -	\$ 1,405.54	\$ 16,866.43	
	Upper Floor (40%)	MERIT Office	1	\$ 200.00	\$ 200.00	\$ 2,400.00	\$ 210.00	\$ 210.00	\$ 2,520.00	\$ 220.50	\$ 220.50	\$ 2,646.00	\$ 231.53	\$ 231.53	\$ 2,778.30	\$ 243.10	\$ 243.10	\$ 2,917.22
		Conference Room	1	\$ 400.00	\$ 400.00	\$ 4,800.00	\$ 420.00	\$ 420.00	\$ 5,040.00	\$ 441.00	\$ 441.00	\$ 5,292.00	\$ 463.05	\$ 463.05	\$ 5,556.60	\$ 486.20	\$ 486.20	\$ 5,834.43
		Training Room	1	\$ 300.00	\$ 300.00	\$ 3,600.00	\$ 315.00	\$ 315.00	\$ 3,780.00	\$ 330.75	\$ 330.75	\$ 3,969.00	\$ 347.29	\$ 347.29	\$ 4,167.45	\$ 364.65	\$ 364.65	\$ 4,375.82
		Private Offices	5	\$ 120.00	\$ 600.00	\$ 7,200.00	\$ 126.00	\$ 630.00	\$ 7,560.00	\$ 132.30	\$ 661.50	\$ 7,938.00	\$ 138.52	\$ 694.58	\$ 8,334.30	\$ 145.86	\$ 729.30	\$ 8,751.55
		Supply Store	1	\$ 200.00	\$ 200.00	\$ 2,400.00	\$ 210.00	\$ 210.00	\$ 2,520.00	\$ 220.50	\$ 220.50	\$ 2,646.00	\$ 231.53	\$ 231.53	\$ 2,778.30	\$ 243.10	\$ 243.10	\$ 2,917.22
		Tech Workshop	1	\$ 300.00	\$ 300.00	\$ 3,600.00	\$ 315.00	\$ 315.00	\$ 3,780.00	\$ 330.75	\$ 330.75	\$ 3,969.00	\$ 347.29	\$ 347.29	\$ 4,167.45	\$ 364.65	\$ 364.65	\$ 4,375.82
	Incubator stations	15	\$ 30.00	\$ 450.00	\$ 5,400.00	\$ 31.50	\$ 472.50	\$ 5,670.00	\$ 33.08	\$ 496.13	\$ 5,953.50	\$ 34.73	\$ 520.93	\$ 6,251.18	\$ 36.47	\$ 546.98	\$ 6,563.73	
	MERIT Management Fee	10%		\$ 712.50	\$ 8,550.00		\$ 748.13	\$ 8,977.50		\$ 785.53	\$ 9,426.38		\$ 824.81	\$ 9,897.69		\$ 866.05	\$ 10,392.58	
	Sub Total (Upper Floor):			\$ 3,162.50	\$ 37,950.00		\$ 3,320.63	\$ 39,847.50		\$ 3,486.66	\$ 41,839.88		\$ 3,660.99	\$ 43,931.87		\$ 3,844.04	\$ 46,128.46	
NOI:																		
Ground Floor	Coffeehouse	1	\$ 1,600.00	\$ 1,600.00	\$ 19,200.00	\$ 1,760.00	\$ 1,760.00	\$ 21,120.00	\$ 1,936.00	\$ 1,936.00	\$ 23,232.00	\$ 2,129.60	\$ 2,129.60	\$ 25,555.20	\$ 2,342.56	\$ 2,342.56	\$ 28,110.72	
	Retail Shops	4	\$ 360.00	\$ 1,440.00	\$ 17,280.00	\$ 396.00	\$ 1,584.00	\$ 19,008.00	\$ 435.60	\$ 1,742.40	\$ 20,930.80	\$ 479.16	\$ 1,916.64	\$ 22,999.68	\$ 527.08	\$ 2,108.30	\$ 25,299.65	
	Kiosks	10	\$ 80.00	\$ 800.00	\$ 9,600.00	\$ 88.00	\$ 880.00	\$ 10,560.00	\$ 96.80	\$ 968.00	\$ 11,616.00	\$ 106.48	\$ 1,064.80	\$ 12,777.60	\$ 117.13	\$ 1,171.28	\$ 14,055.36	
	Sub Total (Ground Floor):			\$ 3,840.00	\$ 46,080.00		\$ 4,224.00	\$ 50,688.00		\$ 4,696.40	\$ 55,756.80		\$ 5,110.04	\$ 61,332.48		\$ 5,622.14	\$ 67,465.73	
	Upper Floor	MERIT Office	1	\$ 300.00	\$ 300.00	\$ 3,600.00	\$ 330.00	\$ 330.00	\$ 3,960.00	\$ 363.00	\$ 363.00	\$ 4,356.00	\$ 399.30	\$ 399.30	\$ 4,791.60	\$ 439.23	\$ 439.23	\$ 5,270.76
		Conference Room	1	\$ 600.00	\$ 600.00	\$ 7,200.00	\$ 660.00	\$ 660.00	\$ 7,920.00	\$ 726.00	\$ 726.00	\$ 8,712.00	\$ 798.60	\$ 798.60	\$ 9,583.20	\$ 878.46	\$ 878.46	\$ 10,541.52
		Training Room	1	\$ 450.00	\$ 450.00	\$ 5,400.00	\$ 495.00	\$ 495.00	\$ 5,940.00	\$ 544.50	\$ 544.50	\$ 6,534.00	\$ 598.95	\$ 598.95	\$ 7,187.40	\$ 658.85	\$ 658.85	\$ 7,906.14
		Private Offices	5	\$ 180.00	\$ 900.00	\$ 10,800.00	\$ 198.00	\$ 990.00	\$ 11,880.00	\$ 217.80	\$ 1,089.00	\$ 13,068.00	\$ 239.58	\$ 1,197.90	\$ 14,374.80	\$ 263.54	\$ 1,317.69	\$ 15,812.28
		Supply Store	1	\$ 300.00	\$ 300.00	\$ 3,600.00	\$ 315.00	\$ 315.00	\$ 3,780.00	\$ 330.75	\$ 330.75	\$ 3,969.00	\$ 347.29	\$ 347.29	\$ 4,167.45	\$ 364.65	\$ 364.65	\$ 4,375.82
		Tech Workshop	1	\$ 450.00	\$ 450.00	\$ 5,400.00	\$ 495.00	\$ 495.00	\$ 5,940.00	\$ 544.50	\$ 544.50	\$ 6,534.00	\$ 598.95	\$ 598.95	\$ 7,187.40	\$ 658.85	\$ 658.85	\$ 7,906.14
	Incubator stations	15	\$ 45.00	\$ 675.00	\$ 8,100.00	\$ 49.50	\$ 742.50	\$ 8,910.00	\$ 54.45	\$ 816.75	\$ 9,801.00	\$ 59.90	\$ 898.43	\$ 10,781.10	\$ 65.88	\$ 988.27	\$ 11,859.21	
	Membership fees	100	\$ 10.00	\$ 1,000.00	\$ 12,000.00	\$ 11.00	\$ 1,100.00	\$ 13,200.00	\$ 12.10	\$ 1,210.00	\$ 14,520.00	\$ 13.31	\$ 1,331.00	\$ 15,972.00	\$ 14.64	\$ 1,464.10	\$ 17,569.20	
	MERIT Management Fee	10%		\$ (712.50)	\$ (8,550.00)		\$ (783.75)	\$ (9,405.00)		\$ (862.13)	\$ (10,345.50)		\$ (948.34)	\$ (11,330.05)		\$ (1,043.17)	\$ (12,518.06)	
	Sub Total (Upper Floor):			\$ 3,962.50	\$ 45,125.00		\$ 4,343.75	\$ 52,125.00		\$ 4,762.38	\$ 57,148.50		\$ 5,222.08	\$ 62,664.90		\$ 5,726.92	\$ 68,723.02	
	Total NOI:			\$ 7,802.50	\$ 85,080.00		\$ 7,819.63	\$ 93,835.50		\$ 8,623.24	\$ 103,478.93		\$ 9,508.31	\$ 114,099.69		\$ 10,483.01	\$ 125,796.17	
Total Investment			\$ 1,500,000.00															
Investment CAP Rate					5.67%													
Asset Management Fee (10%)		10%	\$ 780.25	\$ 8,508.00		\$ 781.96	\$ 9,383.55		\$ 862.32	\$ 10,347.89		\$ 950.83	\$ 11,409.97		\$ 1,048.30	\$ 12,579.62		
Net Income			\$ 7,022.25	\$ 85,080.00		\$ 7,819.63	\$ 93,835.50		\$ 8,623.24	\$ 103,478.93		\$ 9,508.31	\$ 114,099.69		\$ 10,483.01	\$ 125,796.17		

FOXTRON DEVELOPMENT IN PARTNERSHIP WITH DECA ARCHITECTURE, MKTX, MERIT, TU CASA, LBA, AND CAFFEBENE.

(Proposal for Woodburn Association Building, September 22, 2014)

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## Exhibits

- D. Preliminary architectural drawings
  - a. 3D rendering view from Front Street
  - b. 3D rendering view from Plaza Park
  - c. Ground floor architectural drawing
  - d. Upper floor architectural drawing



## Exhibits

### D. Preliminary architectural drawings

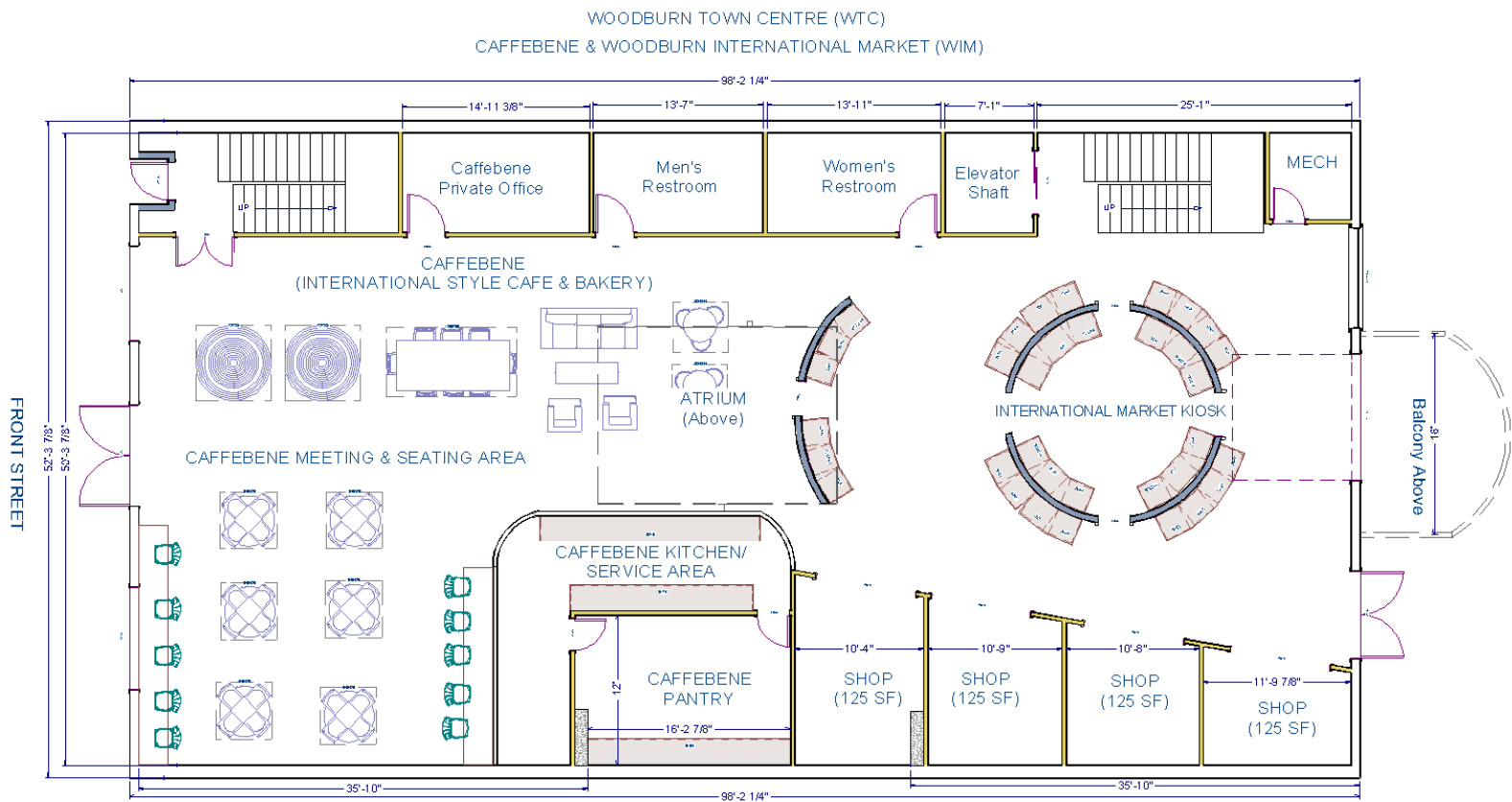
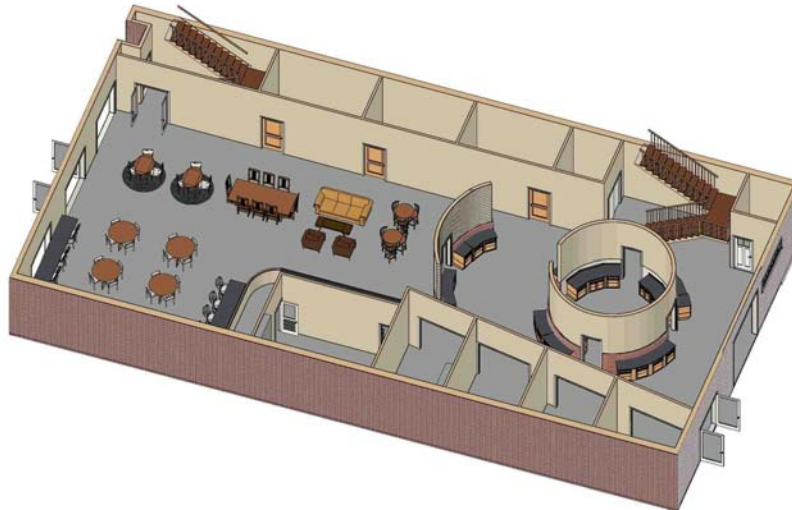
- a. 3D rendering view from Front Street
- b. 3D rendering view from Plaza Park
- c. Ground floor architectural drawing
- d. Upper floor architectural drawing



# Exhibits

## D. Preliminary architectural drawings

- 3D rendering view from Front Street
- 3D rendering view from Plaza Park
- Ground floor architectural drawing
- Upper floor architectural drawing

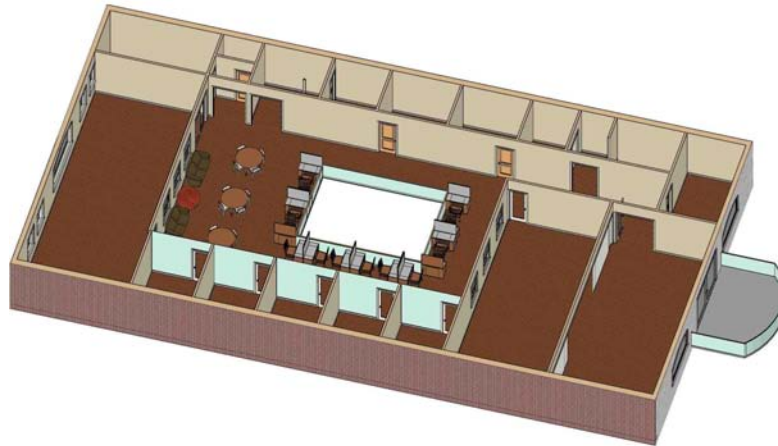




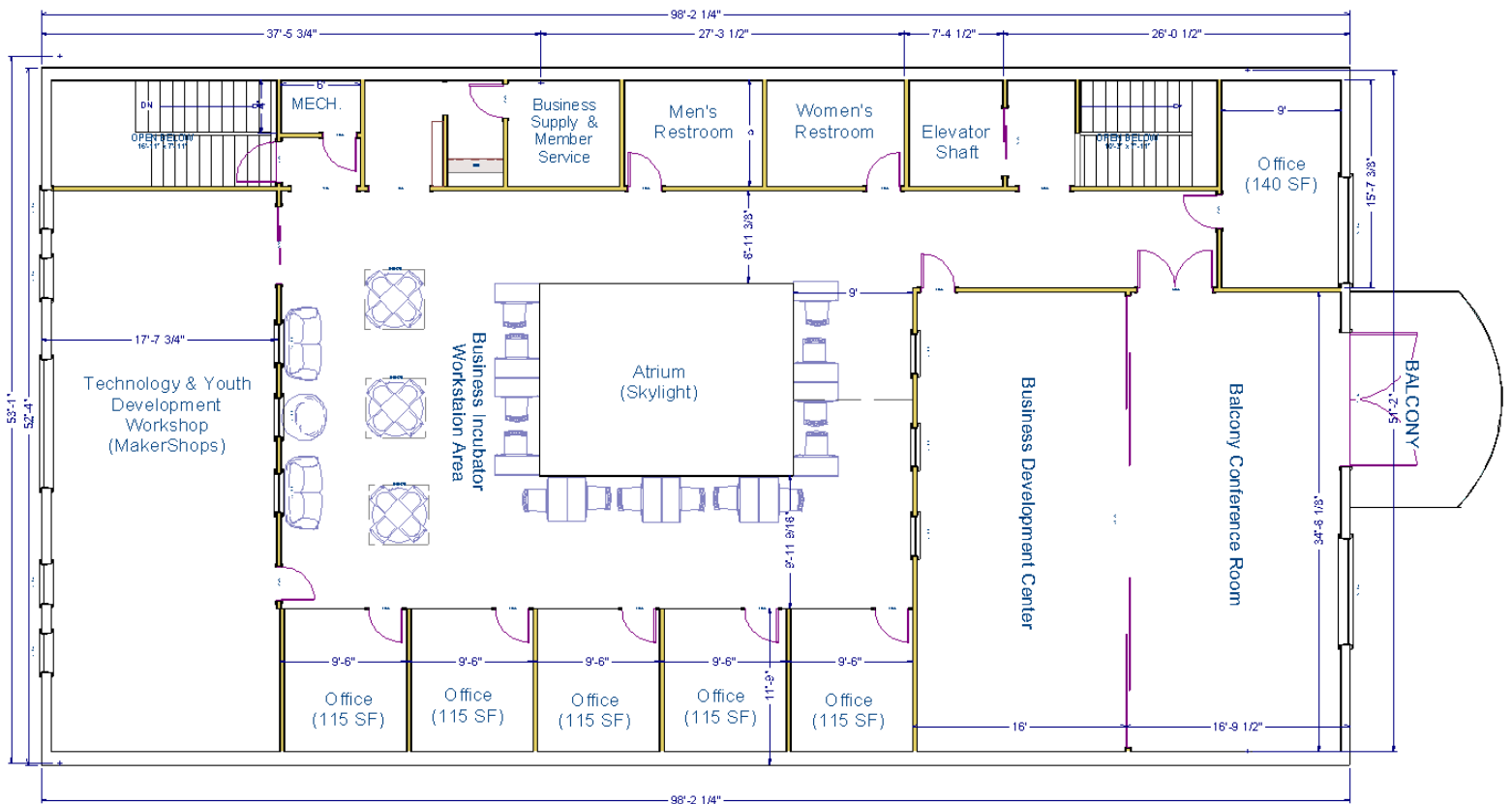
## Exhibits

### D. Preliminary architectural drawings

- 3D rendering view from Front Street
- 3D rendering view from Plaza Park
- Ground floor architectural drawing
- Upper floor architectural drawing



WOODBURN TOWN CENTRE (WTC)  
BUSINESS INCUBATION CENTER





## Exhibits

- E. LOI from Development Partners/Tenants
  - a. Caffebene
  - b. MERIT
  - c. Latino Business Alliance (LBA)



1430 Broadway Suite 1503,  
New York, NY 10018  
212-575-5484

August 12, 2014

Mr. JK Chay  
CEO  
Foxtron Development of Woodburn  
c/o Foxtron Corporation  
405 N. 1<sup>st</sup> Street  
Woodburn, OR 97071

Dear Mr. Chay:

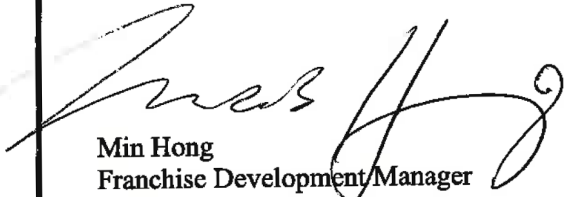
I am pleased to inform you that we, Caffebene, Inc., are interested in partnering with Foxtron to participate in the Woodburn Association Building development project. We have reviewed the RFP information from the city of Woodburn and we feel our European styled coffee house would be an ideal fit for the downtown Woodburn.

As a short summary introduction, Caffebene is a global coffee franchise operation originated from S. Korea in 2008. Presently Caffebene has 1,522 stores throughout the world including 105 stores in the US. We have a proven business model and have successfully demonstrated our coffee shop operation in major US cities such as NY and Los Angeles. We have been favorably recognized and reviewed by major news articles such as [Forbes](#), [NJ on-Line](#), [Grub Street](#), and [NY Business Journal](#).

With our unique business model and product offerings, we are considered to be second to none in the coffee and drinks business, including Starbucks. We believe that Caffebene would add a significant impact for the growth in downtown areas and benefit the social-ecological environment for developing urban cities such as Woodburn. This means, with our endeavor, other local businesses and the community in the downtown Woodburn area would benefit as well.

Upon acceptance of the RFP proposal to be prepared by Foxtron, and accepted by the city of Woodburn, we would be glad to submit a full proposal with additional information for your further acceptance.

Sincerely,



**Min Hong**  
Franchise Development Manager  
Caffebene, Inc.  
1430 Broadway, Suite 1503  
New York, NY 10018

Attachments: Press Articles



Microenterprise Resources, Initiatives & Training  
626 High St NE, Suite 202  
Salem, OR  
503-584-7314

August 15, 2014

Mr. JK Chay, CEO  
Foxtron Development of Woodburn c/o Foxtron Corporation  
405 N. 1st Street  
Woodburn, OR 97071

Dear Mr. Chay:

I am pleased to inform you that Microenterprise Resources, Initiatives & Training (MERIT) is interested in partnering with Foxtron on the business incubation component of the concept being developed by Foxtron for the City of Woodburn Association Building project. After reviewing the Request for Proposals solicited by the City of Woodburn for this property, I believe that our organization would be an ideal fit for the concept that you are proposing for the second floor of this unique property.

MERIT is the primary microenterprise development organization in the Mid-Willamette Valley serving English speaking and Spanish speaking entrepreneurs. Our success is the result of the organization's systematic approach to help entrepreneurs through both training and technical assistance, and the partnerships that we have put together with the Chemeketa Small Business Development Center and others. The assistance MERIT offers includes business counseling/coaching, help with developing a business and/or marketing plan, accessing financial resources and accessing affordable legal services. We are a non-profit and our theory of change is built upon three components; business impact, household impact and community impact. Our goal is to see people increase income and build assets through self-employment, and communities strengthened as a result. The proposed incubation and resource center will facilitate the work we currently do, and will provide a resource needed in the community. It may well be a key component to supporting and growing small businesses in Woodburn resulting in more patrons into the Association building and the downtown area.

Upon acceptance of the RFP proposal to be prepared by Foxtron by the city of Woodburn, we would be glad to submit a full proposal with additional information for your further consideration.

Sincerely,

Forrest Peck, Executive Director

Microenterprise Resources, Initiatives & Training (MERIT)  
626 High St. NE  
Salem, OR 97301  
Phone: 503-316-3233 email: [forrest@meritnw.org](mailto:forrest@meritnw.org)  
Website: [www.meritnw.org](http://www.meritnw.org)



August 26, 2104

Mr. JK Chay  
CEO  
Foxtron Development of Woodburn  
c/o Foxtron Corporation  
405 N. 1<sup>st</sup> Street  
Woodburn, OR 97071

Dear Mr. Chay:

I am pleased to inform you that we, Latino Business Alliance (LBA), are interested in partnering with Foxtron to participate in the Woodburn Association Building development project. After reviewing the Request for Proposals solicited by the City of Woodburn for this property, I believe that our career oriented educational workshop programs would be an ideal fit for the concept that you are proposing.

As a short summary introduction, LBA is a non-profit organization that supports small businesses in financial growth while promoting engagement and visibility within the larger American economy. Establish in 2010, the Latino Business Alliance aims to advance the financial growth of Latino businesses in the Willamette Valley. The LBA will educate Latino businesses regarding interaction within the Latino American community and the community at large as well as promoting entrepreneurship and professional development in the Latino youth.

With our unique organizational model, we are considered to be one of the best business associations in the Willamette Valley. We believe that the proposed Woodburn Association Building's business incubation center would add a significant impact for the growth in downtown Woodburn. This means, with this endeavor, other local businesses and the community in the downtown Woodburn area would benefit as well.

Upon acceptance of the RFP proposal to be prepared by Foxtron, and accepted by the city of Woodburn, we would be glad to submit a full proposal with additional information for your further acceptance.

Sincerely,

Jose Gonzalez  
Board President  
Latino Business Alliance  
jose\_gonzalez@latinobizalliance.com  
Direct: 503-851-6582