



# MARINA DEL PALMA

P A L M C O A S T

## Marketing Plan

August 2017

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**Private & Confidential**

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## INTRODUCTION

Marina Del Palma is a newly planned residential community that will be located adjacent to the Atlantic Intracoastal Waterway near the cities of Palm Coast and Flagler Beach in Flagler County, Florida. This exciting new boating-lifestyle neighborhood will eventually consist of 450 condominiums, 154 single-family lots, and an 83 slip marina. There will also be several amenities built for the community, including a clubhouse/gym, a swimming pool, tennis court, dog walking area and a 200 slip dry-storage boat facility.

The first phase of development – which is covered in this marketing plan – will consist of the single-family lots, the amenities and the 83 slip marina. Pre-marketing and sales efforts will begin in mid-August of 2017. More intense marketing/sales efforts will start in October of 2017 and are expected to last thru December of 2018.

The purpose of this sales and marketing plan is to clearly identify the costs and resources required to successfully implement a sales and marketing strategy that will result in the sell-out of all single-family lots by the end of 2018. It includes discussions of sales talent acquisition, marketing and advertising channels, administrative costs, collateral materials and on-site promotional costs.

## MARINA DEL PALMA – FINANCIAL SUMMARY

<b>Projected Profit/Loss</b>		<b>Total</b>
Total Projected Lot Sales		\$22,946,000.00
Total Projected Slip Sales		\$4,150,000.00
Less closing costs		(\$447,084.00)
Total Projected Net Sales		\$26,648,916.00
Costs Related to Finance and Startup		\$345,000.00
<b>Construction Costs</b>		
Soft Costs	\$1,638,232.00	
Hard Costs	<u>\$11,078,207.00</u>	
Total Cost of Construction	\$12,716,439.00	\$12,716,439.00
<b>Sales and Marketing Expenses</b>		
Sales Commissions and Sales Management	\$1,896,720.00	
Marketing	<u>\$3,522,480.00</u>	
Totals Cost of Sales and Marketing	\$5,419,200.00	\$5,419,200.00
Projected Net Profit - Before Interest		\$8,168,277.00
Projected Interest Cost @ 12%		\$948,042.58
<b>Projected Net Profit After Interest</b>		<b>\$7,220,234.42</b>

*\*These calculations do not include a value of land - land is owned by developer with no encumbrances*

## OVERALL MARKETING BUDGET DISCUSSION

The previous page was included to build a frame of reference for the overall expectations of the sales and marketing budget goals. In the financial projections for the project it was assumed that the sales and marketing costs would not exceed 20% of sales. As noted in the discussion of sales commissions, it will be necessary to spend approximately 7% of sales on commissions and over-rides. *Also, it should be noted that the remaining 13% is not reserved exclusively for marketing; it must cover many other costs such as accounting, administration and executive oversight.*

Management believes that a realistic budget for sales and marketing expenses for the single-family portion of Marina Del Palma, excluding slip sales, is \$3,212,440.00 or 14% of sales. Of this amount \$1,613,920.00 will be used for sales commissions. The remaining amount, \$1,598,520.00 will be used for promotional expenses, advertising, marketing and sales administration.

<b>Target Sales &amp; Marketing expense of 14%</b>	<b>\$3,212,440.00</b>
<b>Less Sales Commissions and Overrides</b>	<b><u>\$1,613,920.00</u></b>
<b>Total Remaining for Marketing</b>	<b>\$1,598,520.00</b>
<b>Office Administration</b>	
Personnel	\$75,000.00
Office Rent	\$30,000.00
Telephone - Utilities - Internet	\$15,000.00
Various Office Expenses	\$15,000.00
Collateral Material	\$20,000.00
Postage	\$7,500.00
<b>Total Administrative</b>	<b>\$162,500.00</b>
Ground Operation for 3 Major Promotions (at \$100,000 each)	\$300,00.00
Ground Operations for 3 Small Promotions (at \$20,000 each)	\$60,000.00
<b>Total Cost of Ground Operations</b>	<b>\$360,000.00</b>
Balance Remaining for Advertising and Marketing	\$1,076,020.00
Less Mail for 3 Major Promotions (500K pieces/Promo)	\$435,000.00
<b>Amount Remaining for Additional Marketing</b>	<b>\$641,020.00</b>

## SALES AGENTS – COMPENSATION DISCUSSION

The effective implementation of this plan is dependent upon the successful acquisition of highly talented, experienced sales professionals, dedicated to staying with the project to the end of the sales process. Without talented individuals capable of transforming leads into owners, there is no need for marketing. In order to attract talent to the project, it will be necessary to offer a compensation package that will compete with the other alternatives in the market. There is both an abundance of talent available and an abundance of alternatives for them to choose from. Orlando and Daytona Beach both have thriving timeshare markets that produce large pools of experienced sales professionals, however those markets are currently very robust and sales agents are making plenty of money. Likewise, there is a large number of licensed real estate professionals in the area, and the ones with true sales skills are doing quite well. It is not uncommon to hear of general real estate agents earning over \$300,000 per year locally.

Based on a total sales goal of 154 single-family lots, it will be necessary to have 4 licensed sales professionals on staff as full time sales agents. In order to attract the right kind of talent, it will be necessary to demonstrate that each agent can earn at least \$160,000, if they stay until the end – roughly 15-17 months. These agents will be known as the Home Team.

For purposes of this plan, we will assume 10 lots will be sold to Preferred Builders and those lots will not be the result of the Home-Team's efforts. Of the remaining 144 lots, 25% of those sales will be the result of on-site efforts by the Home-Team and 75% will result from promotional events, which will require the Home-Team to split commissions with visiting agents.

25% from Home-Team efforts	36 Commissions to Home-Team
75% from Promotional events	<u>54</u> Commissions to Home-Team
Total Commissions to Home-Team	90
Total Commissions to Visiting Agent	54

Based on the assumptions above, the recommended commission rate is \$7,500.  
(4 Agents X \$160,000 = \$640,000.00 / 90 = \$7,111.11)

If we round it up to \$7,500, the total will be \$675,000.

In addition, the visiting agents will earn a total of 54 commissions, split over 108 deals, for a total of \$405,000.00 (at a total rate of \$7,500).

Also, there will be 10 commissions paid to the sales manager for sales of lots to preferred builders for a total of \$75,000.00.

Also, there has historically been a 2% override paid to the sales manager, which will total \$458,920.00.

Based on the assumptions above, the total budget for sales commissions should be \$1,613,920.00.

## STRATEGY AND EXECUTION

The timely sell-out of the 154 single-family lots at Marina Del Palma will require intense focus by all stakeholders in the organization. The proposed marketing and sales goal is total sell-out in 18 months or less and will require at least 3 major on-site sales promotions, multiple mini sales promotions and an intense local and on-site presence that is focused on market domination every day for the entire 18 months. Market saturation will require the use of a variety of marketing channels implemented methodically to compliment the on-site events and to build and maintain momentum.

After careful study and review of the local and regional marketing channels, Management has determined that the following mix of marketing resources is appropriate.

Based on a Total Advertising Budget of \$1,076,020.00

<b>Channel</b>	<b>Number of Sales</b>	<b>Per Cent of Budget</b>	<b>Budgeted Amount</b>
Direct Mail	62	40.4%	\$435,000.00
Newspaper Ads	20	15%	\$161,400.00
Social Media	15	10.6%	\$113,774.00
Radio	9	5%	\$107,602.00
Television	9	5%	\$53,801.00
Magazine Ads	9	5%	\$53,801.00
Signage	10	4%	\$43,040.00
Self Gen / Owner Referral	10	0%	\$0.00
Builder Sales	10	0%	\$0.00
Contingency		10%	\$107,602.00
<b>Totals</b>	<b>154</b>	<b>100%</b>	<b>\$1,076,020.00</b>

The beginning phase of marketing will include on-site signs, social media, local advertorials, Realtor outreach, builder outreach and local low-cost public relations. In addition, we plan to host a series of “VIP” events that will include Realtors, local dignitaries, and owners at Palm Coast Plantation. These events will be planned to coincide with the ramp-up to the first major on-site event planned for October 7-9, 2017.

The second phase of marketing will start in October of 2017 and will focus primarily on major on-site promotions. Leads will be generated from direct mail, newspaper, radio, television and social media. 20 to 30 sales agents will be required for each event. Expected sales for each event are estimated at 35 lots. Each major event is expected to cost \$350,000 and if successful, will generate about \$5,200,000 in sales for a cost of sale of 6.27% before commissions and overrides.

Based on the belief that the final plat will be recorded and bonded by October 1, 2017, Management believes that lot closings will begin in November and will continue thru 2018.

<b>Month</b>	<b>Number of Lot Closings</b>	<b>Total Sales</b>	<b>Cumulative</b>
Oct 17	15	\$2,235,000.00	
Nov 17	20	\$2,980,000.00	\$5,215,000.00
Dec 17	15	\$2,235,000.00	\$7,450,000.00
Jan 18	2	\$298,000.00	\$7,748,000.00
Feb 18	25	\$3,725,000.00	\$11,473,000.00
Mar 18	25	\$3,725,000.00	\$15,198,000.00
Apr 18	15	\$2,235,000.00	\$17,433,000.00
May 18	10	\$2,235,000.00	\$19,668,000.00
Jun 18	2	\$1,490,000.00	\$21,158,000.00
Jul 18	2	\$298,000.00	\$21,456,000.00
Aug 18	2	\$298,000.00	\$21,754,000.00
Sep 18	2	\$298,000.00	\$22,052,000.00
Oct 18	2	\$298,000.00	\$22,350,000.00
Nov 18	2	\$298,000.00	\$22,648,000.00
Dec 18	2	\$298,000.00	\$22,946,000.00
<b>Totals</b>	<b>154</b>	<b>\$149,000.00 Ave</b>	<b>\$22,946,000.00</b>

*\*The assumptions above are based on calendar of promotional events that are attached.*



# PROPOSED CALENDAR OF EVENTS

October 2017 – December 2018

DATES (Sat. & Sun.)	MDP	AB	SA	WR	TX	COMMENTS
9/30 – 10/1						
10/7 – 10/8	✓					Columbus Day - Monday 10/9
10/14 – 10/15	✓					
10/21 – 10/22						
10/28 – 10/29						
11/4 – 11/5						Daylight Savings ends – Sunday 11/5
11/11 – 11/12						Veteran's Day - Friday 11/10
11/18 – 11/19						Thanksgiving – Thursday 11/23
11/25 – 11/26						
12/2 – 12/3						
12/9 – 12/10						
12/16 – 12/17						
12/23 – 12/24						
12/30 – 12/31						
1/6 – 1/7						NFL Wildcard games - 1/6 & 1/7
1/13 – 1/14	✓					NFL Div. Round Games – 1/13 & 1/14; Martin Luther King – Mon. 1/15
1/20 - 1/21	✓					AFC and NFC Championship Games – 1/21
1/27 – 1/28						
2/3 – 2/4						Superbowl - 2/4
2/10 – 2/11						
2/17 – 2/18	✓					President's Day - Monday 2/19
2/24 – 2/25	✓					
3/3 – 3/4						
3/10 – 3/11						March Madness Selection - 3/11; Daylight Savings Time Begins – 3/11
3/17 – 3/18						March Madness Games – 3/13 - 3/25; St. Patrick's Day – 3/17
3/24 – 3/25						March Madness Games – 3/13 - 3/25 Palm Sunday – 3/25
3/31 – 4/1						Easter - 4/1; March Madness Final Four – 3/31 & 4/2
4/7 – 4/8						
4/14 – 4/15						Tax Day - Tuesday 4/17
4/21 – 4/22	✓					
4/28 – 4/29	✓					
5/5 - 5/6						
5/12 – 5/13						Mother's Day – 5/13
5/19 – 5/20						
5/26 – 5/27						Memorial Day - Monday 5/28
6/2 – 6/3						
6/9 – 6/10						

# PROPOSED CALENDAR OF EVENTS

October 2017 – December 2018

DATES (Sat. & Sun.)	MDP	AB	SA	WR	TX	COMMENTS
6/16 – 6/17						Father's Day - 6/17
6/23 – 6/24						
6/30 – 7/1						4th of July – Wednesday 7/4
7/7 – 7/8						
7/14 – 7/15						
7/21 – 7/16						
7/28 – 7/29						
8/4 – 8/5						
8/11 – 8/12						
8/18 – 8/19						
8/25 – 8/26						
9/1 – 9/2						Labor Day - Monday 9/3
9/8 – 9/9						
9/15 – 9/16						
9/22 – 9/23						
9/29 – 9/30						
10/6 – 10/7						Columbus Day – Monday 10/8
10/13 – 10/14						
10/20 – 10/21						
10/27 – 10/28						
11/3 – 11/4						Daylight Savings Ends - 11/4
11/10 – 11/11						Veteran's Day - Monday 11/12
11/17 – 11/18						Thanksgiving - Thursday 11/22
11/24 – 11/25						
12/1 – 12/2						
12/8 – 12/9						
12/15 – 12/16						
12/22 – 12/23						
12/29 – 12/30						

MDP = Marina Del Palma, AB = Antigua Bay, SA = St. Augustine, WR = Water Ridge, TX = Texas

## ADDENDUM 1

### METROPOLITAN STATISTICAL AREA POPULATION DATA

<b>AREA DESCRIPTION</b>	<b>POPULATION ESTIMATES AS OF 7-01-2016</b>
Flagler County (Including Palm Coast)	108,310
Deltona – Daytona Beach – Ormond Beach (Excluding Flagler County)	526,364
Jacksonville (Baker, Clay, Duval, Nassau & St. Johns)	1,478,212
Orlando – Kissimmee – Sanford (Lake, Orange, Osceola & Seminole)	2,441,257
Melbourne (Brevard County)	579,130
Ocala (Marion County)	349,020
Gainesville (Alachua & Gilchrist)	280,708
Tampa – St. Petersburg – Clearwater (Tampa Bay Area) (Hernando, Hillsborough, Pasco & Pinellas)	3,032,171

## ADDENDUM 2

### NEWSPAPERS

#### **PALM COAST/FLAGLER COUNTY:**

Flagler/Palm Coast Section - Daytona Beach News Journal  
<http://www.news-journalonline.com/>

Palm Coast Observer  
<http://www.palmcoastobserver.com/>

Flagler Live  
<https://flaglerlive.com/>

#### **DAYTONA/ORMOND BEACH:**

Daytona Beach News Journal  
<http://www.news-journalonline.com/>

Ormond Observer  
<http://www.ormondbeachobserver.com/>

#### **ST. AUGUSTINE:**

The St. Augustine Record  
<http://staugustine.com/>

#### **JACKSONVILLE:**

Times Union – Jacksonville  
<http://jacksonville.com/>

Jacksonville Daily Record  
<http://www.jaxdailyrecord.com/>

#### **ORLANDO:**

Orlando Sentinel  
<http://www.orlandosentinel.com/>

#### **GAINESVILLE:**

Gainesville Sun  
<http://www.gainesville.com/>

#### **OCALA:**

Ocala Star Banner  
<http://www.ocala.com/>

#### **MELBOURNE:**

Florida Today  
<http://www.floridatoday.com/>

## ADDENDUM 3

### MAGAZINES

#### **PALM COAST/FLAGLER COUNTY:**

Homes & Land of Palm Coast/Flagler Beach  
<http://www.hlpalmcoast.com/>

Fantastic Flagler Visitor & Newcomer Guide (Chamber of Commerce)  
<http://www.flaglerchamber.org/pages/fantastic-flagler>

Flagler Connect (Chamber of Commerce)  
<http://www.flaglerchamber.org/pages/flagler-connect>

Thrive Magazine (Chamber of Commerce)  
<http://www.flaglerchamber.org/pages/thrive%20magazine>

Flagler Magazine  
<http://www.gagepub.com/>

Sun and Surf  
<http://www.sunnsurfmagazine.com/magazines/magazines.html>

Pelican Post  
<http://www.pelicanpostmagazine.com/>

#### **DAYTONA BEACH/ORMOND:**

Homes & Land of Daytona & Ormond Coasts  
<http://www.homesandlanddaytona.com/>

Ormond Magazine  
<http://www.gagepub.com/>

Halifax Magazine  
<http://www.gagepub.com/>

Lifestyle Magazine  
<http://www.lifestylemagazineflorida.com/>

#### **ST. AUGUSTINE:**

Homes & Land of St. Augustine  
<http://www.staugustinehomesforsale.net/>

Old City Life  
<http://www.oldcitylife.com/>

St. Johns Magazine  
<http://www.stjohnsmag.com/>

St. Augustine Social  
<https://www.staugustinesocial.com/>

First Coast Magazine  
<https://firstcoastmagazine.com/>

St. Augustine Visitor & Tourist Info  
<http://visitstaug.com/>

## **JACKSONVILLE:**

Homes & Land of Northeast Florida  
<http://www.northeastfloridahomesforsale.net/>

Jacksonville Magazine  
<http://www.jacksonvillemag.com/>

First Coast Magazine  
<https://firstcoastmagazine.com/>

Jacksonville Buzz  
<https://www.iwantabuzz.com/>

The Arts & Business Magazine of NE Florida  
<http://arbus.com/>

## **ORLANDO:**

Homes & Land of Greater Orlando  
<http://www.homesandlandorlando.com/>

Orlando Magazine  
<http://www.orlandomagazine.com/>

Orlando Weekly  
<https://www.orlandoweekly.com/>

Orlando Style  
<http://www.orlandostylemagazine.com/>

Orlando Family Magazine  
<http://www.orlandofamilymagazine.com/>

## **GAINESVILLE:**

Homes & Land of Gainesville  
<http://www.gainesvillehomesforsale.net/>

Gainesville Today  
<http://gainesvilletoday.com/>

**OCALA:**

Homes & Land of Ocala Marion County  
<http://ocala.homesandland.com/>

Ocala's Good Life  
<http://www.ocalasgoodlife.com/>

**MELBOURNE:**

Homes & Land of Brevard County  
<http://www.brevardcountyhomesforsale.net/>

Space Coast Living  
<http://spacecoastliving.com/>

## ADDENDUM 4

### TELEVISION STATIONS

#### **PALM COAST/FLAGLER COUNTY:**

News 13 (Exclusively on Spectrum)  
<http://www.mynews13.com/news/flagler.html>

#### **JACKSONVILLE/ST. AUGUSTINE:**

First Coast News WTLV  
<http://www.firstcoastnews.com/>

Action News WAWS  
<http://www.actionnewsjax.com/>

News 4 WJXT  
<https://www.news4jax.com/>

#### **DAYTONA BEACH/ORLANDO/MELBOURNE:**

Channel 2 WESH  
<http://www.wesh.com/>

Fox 35 WFOX  
<http://www.fox35orlando.com/>

Channel 9 ABC WFTV  
<http://www.wftv.com/>

The CW 18 WKCF  
<http://www.wesh.com/cw18>

News 6 WKMG  
<https://www.clickorlando.com/>

My 65 Orlando WRBW  
<http://www.fox35orlando.com/my65>



## ADDENDUM 5

### RADIO STATIONS

#### PALM COAST/FLAGLER COUNTY:

Beach (Palm Coast/Daytona) – 92.7 FM WBHQ  
<http://www.flaglerbroadcasting.com/beach927>

Kix Country – 98.7 FM WAKX  
<http://www.flaglerbroadcasting.com/kix987>

Kool – 100.9 FM WBHQ  
<http://www.flaglerbroadcasting.com/kool1009>

Surf – 97.3 FM WQFB  
<http://flaglerbeachradio.com/>

News Radio – 106.3 FM WNZF  
<http://www.flaglerbroadcasting.com/wnzf>

#### DAYTONA BEACH/ORMOND:

The Hog – 95.7 FM WHOG  
<http://whog957.com/>

Love Radio – 99.5 FM WLOV  
<http://995wlov.com/>

Daytona's Morning News - 93.5 FM WNDB  
<http://www.newsdaytonabeach.com/category/wndb-news/>

#### ST. AUGUSTINE:

Beach (St. Augustine) – 105.5 FM WSJF  
<http://www.flaglerbroadcasting.com/beach1055>

St. Johns County – 93.9 FM WSOS  
<http://www.staugustineradio.com/>

Newstalk – 102.1 FM WFOY  
<http://www.1021news.com/>

#### JACKSONVILLE:

Jacksonville's Country – 99.1 FM WQIK  
<http://991wqik.iheart.com/>

The Eagle – 96.9FM WJGL  
<http://www.969theeagle.com/>

News/Talk Radio – 104.5FM WOKV / 690AM  
<http://www.wokv.com/>

Jacksonville's Official Work Station - 96.1 FM WEJZ  
<http://wejz.com/>

The Ape – 95.1FM WAPE  
<http://www.wape.com/>

**ORLANDO:**

XL 106.7 FM WXXL  
<http://xl1067.iheart.com/>

Magic – 107.7 FM WMGF  
<http://magic107.iheart.com/>

Orlando's Classic Hits – 98.9 FM WMMO  
<http://www.wmmo.com/>

Sunny – 105.9 FM WOCL  
<http://1059sunnyfm.cbslocal.com/>

Mix – 105.1 FM WOMX  
<http://mix1051.cbslocal.com/>

News/Talk – 96.5 FM WDBO  
<http://www.news965.com/>

**MELBOURNE:**

The Beach – 98.5 FM WSBH  
<http://www.beach985.com/>

News Talk – 1350 AM WMMB  
<http://wmmbam.iheart.com/>

Lite Rock – 99.3 FM WLRQ  
<http://literock993.iheart.com/>

WA1A – 107.1 FM WAOA  
<http://www.wa1a.com/>

Public Radio for the Space Coast – 89.5 FM WFIT  
<http://wfit.org/#stream/0>