

Woodalls Campground Management, May 2007

South Texas Parks LLC: /Serving a Growing Rio Grande Valley Market

Jay Davis is known as “The Trailer Man” in the Rio Grande Valley of Texas, and he doesn’t take offense. That’s because Davis, 51, has parlayed a career in real estate brokerage with the management of RV park and manufactured housing communities.

As the story goes, Davis, on a visit to the Valley in 1994 discovered several good looking RV and manufactured housing parks that were for sale. In a single year, he sold seven park properties to one client. And in the next six years he sold \$80 million worth of park properties. In 2002, he formed South Texas Parks LLC (STP) , a company which offered to its clients services such as staffing, reservations, accounting, resident relations and project supervision.

Today, he heads a staff of 68 on the management side that works mostly out of his office in Harlingen. At last count, his company owned or managed 16 parks in southeast Texas, mostly between Mission and Los Fresnos.

The RV Park and Campground business in South Texas has become very lucrative in recent years in two major ways, according to Davis. Investors from as far away as Australia have purchased parks and campgrounds in the Valley as stand-alone investments. But they need someone to be their “eyes and ears”. Davis is getting a good response to his management concept and hopes to add four or five more parks yet this year.

From the consumer end, many Americans and Canadians have come to treasure the warm, dry winters in the Valley. As a result, the parks under STP’s management, offering approximately 6,700 sites, boast an occupancy rate of 95% over the winter months. That’s just a fraction of the estimated 524 parks in the valley that are home to some 300,000 Winter Texans during the peak season, he said. Other STP holdings offer dual-season camping, while some are more popular in the summer.

Among STP’s holdings is Admiralty RV Resort in San Antonio, named one of the top 10 RV parks in Texas.

Managing an RV park is more like running a hotel than an apartment complex, Davis points out. He needs to balance the needs of his investors, who are looking for the best return on their dollars, with the needs of the residents who he needs to keep happy and comfortable because if they feel neglected, they can just pack up and go somewhere else.

“Camper nights are a big buzzword around our office”, he said.

Davis is finding that the needs of today’s campers are changing as is the profile of the typical camper. “It’s a changing business all the time. We’re lucky to be in an upward trend market”, he explained. “We see a lot of changes within the RV industry, even with people driving around who we call ‘full-time’ people. They’re younger, in their 30s and 40s, and home schooling their children while on a contract with an employer. They’ll pull into our park and stay for a year while building a very nice home elsewhere”.

We own a park that is used just by workers at a petrochemical plant”, he continued. “These people come in with clean rigs and are really good for the park, not high maintenance. They like our park for its safety”.

Davis manages a park in the Houston area at which guests park their RVs while on a cruise. “People want to park their RV where they’re safe” he said.

In the San Antonio area, his park is populated by workers building a new Toyota plant.

Thanks to some coaxing by one of his clients (a professor in hotel management at the University of Houston), Davis has instituted a survey that each long-term guest receives at the end of the season. Staff members are rated for skills such as listening, answering questions and friendliness, and park amenities are graded.

The results yield both positives and negatives, and changes can be made for future guests, he said. He also is learning how to integrate Baby Boomers with Gen Xers in the same park while accommodating both age groups' needs.

As the background of his camping clientele evolves, Davis also is learning about where they camp before they arrive through "upstream marketing". Campers are surveyed and asked where they camped on their way to and from an STP park. This, Davis maintained, builds a huge database on camper trends and can give individual parks guidance on steering the campers to other STP holdings.

"It has been very educational from the standpoint of how to improve the properties and efficiencies", he added. "That also has to do with reducing waste, as well as capturing more income. Some of these things are just starting to kick in. Like advertising, it's a cumulative thing that doesn't show up until later".

His management company also provides other services. "We've emptied parks where large retailers have bought a park and didn't want to go through the process of relocating the people", he explained. "That's another skill set we're getting lots of calls for. There are certain guidelines on how to do this and take care of the people. For some, this really disrupts their lives. We provide a calming effect".

His management company also provides "emergency managers", for example, when a park loses its manager on short notice. Davis can move in a temporary manager or management team, take over the property and stabilize the operations. **Steve Bibler**