

CHINCOTEAGUE CAMPGROUND

ELEVATING AN ASSET



THE OPPORTUNITY

In the spring of 2016, shortly after the successful sale of Castaways (now Sun Outdoors Ocean City) to Sun Communities, Blue Water completed fervent negotiations with the Maddox family to acquire the storied Maddox Family Campground in Chincoteague Island, VA. The 350 site, \$7 million acquisition was an ideal opportunity for Blue Water to rejuvenate the existing property into a world-class RV resort and campground on beautiful Chincoteague Island. This island was already a popular summer destination as the gateway to the Assateague Island National Seashore and as the home to the wild ponies made famous in Marguerite Henry's 1947 children's book *Misty of Chincoteague*. In addition to the pristine beaches of Assateague, Chincoteague features bike-friendly streets, a plethora of owner-operated ice cream shops and restaurants, and miles of waterfront in what was once a sleepy fishing village on the Eastern Shore of Virginia. Overall, the perfect setting for a classic summer vacation for the entire family.

The original Maddox Family Campground was teeming with natural beauty and perfectly situated as the closest campground to the sandy beaches of Assateague Island. Armed with the lessons learned from Castaways RV resort, Blue Water set out to re-build, re-brand and re-position the quaint Maddox Family campground into a modern, world-class RV resort and vacation destination now known as Jellystone Park™ Chincoteague Island.



THE PROJECT

A springtime acquisition leaves little time for significant renovations or improvements so Blue Water operated the property in its original condition for the 2016 camping season. All the while preparing the engineering, architecture, permitting and approvals in support of their mission: to transform the Maddox Family Campground, an older asset with good bones, into the elevated resort-style experience it is today. Their goal was to turn an ordinary camping experience into an extraordinary one that families would remember and cherish for years to come, also positioning Chincoteague Island as a leading summer vacation destination on the East Coast.

First, Blue Water took the Welcome Center down to the studs and renovated it from top to bottom, making it an inviting, modern space to elevate the guest experience upon arrival. Then, they added additional accommodations, including the deluxe patio sites and deluxe cottage sites as well as three new, modern bathhouses. All the new and renovated structures were painted in an attractive and vibrant Bahamian color scheme, a concept that was adapted from Castaways that guests loved. To further establish a unique tropical experience, Blue Water also imported palm trees and added innovative landscaping with native plants to cultivate an aesthetically pleasing tropical environment.

A number of new and exciting amenities were also added to enhance the guest experience. These included jump pillows, playgrounds, dog park, group pavilions and fire pits, even a dock to access the local waterways via kayak and paddle board. A robust activities schedule and fun theme weekends like “Christmas in July” and “First Responders Weekend” were brilliantly orchestrated by the events and recreation team. These efforts inspired guests to book their vacations early and have something to look forward to. All of these efforts made it clear that family fun was Blue Water’s top priority, providing families with opportunities for fun and recreation and maybe even some quiet time for mom and dad.

Finally, there were also several infrastructure enhancements to the roads, electrical, water, sewer and WiFi systems to further enhance the onsite guest experience.

THE MARKETING

While these renovations were taking place, Blue Water rebranded the campground to Chincoteague Island KOA and launched a robust, multifaceted marketing campaign. Through partnerships with regional RV dealers and a thoughtful combination of digital, email, and social media marketing, they were able to attract new types of guests, leading to an exponential increase in year over year guest stays and revenue growth.

REVENUE GROWTH



Camping is more than a way to travel, it is a lifestyle for those who are passionate about the outdoors. Accordingly, campers and RV enthusiasts are selective on where they choose to spend their free time. Central to the Blue Water ethos is an awareness that guests save their hard-earned money and vacation time just to enjoy a handful of camping experiences at their properties each year, and that awareness is what drives their passion for creating an unforgettable vacation experience.

Nurturing a sense of community at the campground and going above and beyond to provide value through exceptional guest experiences paved the way for establishing loyalty, which led to healthy organic word-of-mouth marketing. Satisfied guests rebooked and invited friends and family to join them on their next adventure. The sense of community was further enhanced with engaging social media campaigns that proved pivotal to the campground's success. Loyalty is a profound thing to leverage, sparking intergenerational family traditions that further establish the spirit of an unforgettable vacation experience.

THE WATERPARK

There was a large parcel of undeveloped land adjacent to and acquired alongside the Maddox Family Campground with a frontage on the main road that led to the beach. Blue Water set forth to turn it into an amenity worthy of the island and to further provide value to both campground



guests and the public, known as Maui Jack's Waterpark. The result? A wildly popular island-themed attraction generating interest and income for the campground and for Chincoteague Island.

Thanks to the \$7 million investment in Maui Jack's Waterpark, guests to the campground and to Chincoteague Island could now enjoy a complete summer vacation. The waterpark complimented the existing attraction of beaches, restaurants, mini-golf and shopping, giving visitors a full day of activity to entertain all ages. This attraction offered

travelers the option of a more all-inclusive vacation destination. It was truly a win-win for everyone: The Chincoteague Island KOA guests, visitors to Chincoteague Island, and the local community.

Today, this family-friendly waterpark features a lazy river, two speed slides, three tube slides, a kiddie pool and aquatic play unit (APU), tiki bar, and retail store. There are also cabanas available for rent, locker rentals, concessions, games, a bar and grill, certified lifeguards, and just about everything a family could want or need to enjoy a day of splashing, sliding, and relaxing. The waterpark is an extension of the tropical style established at Chincoteague Island KOA, providing a fully immersive vacation experience.

THE CHALLENGE

When it comes to RV resort development, full hookup sites are the gold standard and typically include sewer, water and electric hookups. When Blue Water initially purchased the campground, there was mix of both full hookup and water and electric (W/E) only sites. Limited sewer capacity did not allow for adding sewer to the W/E sites and the supply of these sites outpaced the demand for them, creating an imbalance that resulted in underperforming revenues from these 113 sites. The challenge was how to reposition the water and electric sites to attract and excite guests, opening the doors to new revenue streams.

After reviewing the data, performing a detailed site-by-site performance analysis and a great deal of out-of-the-box thinking and planning, Blue Water executed two strategies that proved to be the keys to success: the unique accommodations of the Island Bungalows and Safari Tents. Here's a closer look at what each one entailed.

ISLAND BUNGALOWS

The campground had already seen considerable success with their deluxe park model cottages. The “tiny homes” had two bedrooms, a full bathroom and kitchen, living area and a screened in porch. They accommodated up to 6 guests and were an immediate hit with families. The rates and occupancy were generating strong returns on the initial investment of the park model, and they even proved to be more resistant to cancellations when the weather forecast called for rain. This sparked the question: is there a way to create a version of the park model that does not require sewer connections? After a few planning calls with the park model supplier, the “Island Bungalow” was born. The Island Bungalows are essentially mini versions of the cottage park models, minus the plumbing and strategically located near the premium bathhouse facilities. These bungalows sleep five and feature a futon, twin bunks, and a queen in a private bedroom. Extras like WiFi, cable TV, a picnic table, and fire ring help to complete the camping experience.



The Island Bungalows were a resounding success. Guests loved them and since the price point was more affordable than the deluxe park model, it made these accommodations accessible to a wider spectrum of guests. Most importantly, the installation of the Island Bungalows repositioned 15 of the W/E sites into a premium accommodations, improving overall revenues and helping to bring the supply and demand curves back into balance.

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SAFARI TENTS

In 2017, the concept of glamorous camping, better known as “Glamping,” was just starting to take off. While it can take many forms, it is essentially a fixed camping site with many of the creature comforts of home. Safari Tents are perfect for guests seeking the glamping experience. They’re rustic-chic, canvas tents that sit on an elevated platform. Each six-person tent is lavishly decorated and generously furnished

with two queen beds, a full futon, an end table, a coffee table, and a dresser.

Luxuries like a furnished porch, picnic table, fire ring, and WiFi allow safari tent guests to take their glamping experience to the next level. Just like the island bungalows, the Safari Tents are conveniently situated just steps away from the well-equipped bathhouses, effectively solving the issue of limited sewer capacity while also offering guests new and unique ways to stay.

Similar to the Island Bungalows, the Safari Tents booked quickly and received glowing reviews from guests. There were 10 tents installed in 2017 and another 10 the following year, further reducing the W/E site count to a level where supply and demand reach equilibrium and overall revenues for the property improved dramatically. The tents were so successful, Blue Water went on to install Safari Tents at many other campgrounds.

THE RESULTS

The acquisition and renovation of the Maddox Family Campground shows Blue Water's unparalleled innovation and ability to reposition and elevate an asset. They know how to see the potential in a property and turn that potential into reality that generates incredible success.

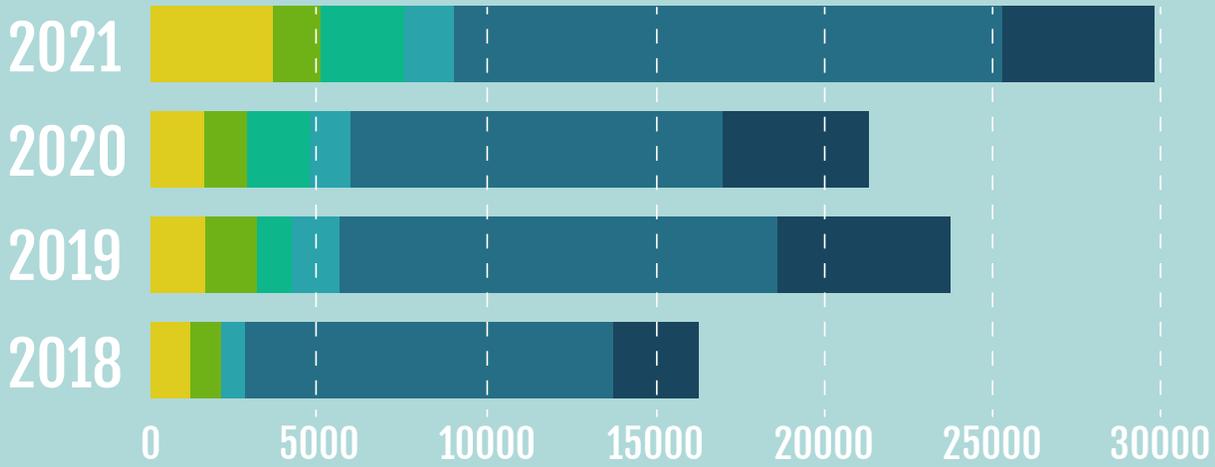
When Blue Water purchased the Maddox Family Campground, it was an underperforming asset that was virtually unknown in the camping world. After they renovated it, furnished it with amenities and a new attraction, and modified the site mix with Island Bungalows and Safari Tents to make use of the water and electric only sites, it became a tropical, modern paradise, attracting camping enthusiasts from all walks of life to what is now a premier camping destination.

People had always been drawn Chincoteague Island, but with a world-class campground, complete with exciting amenities, a wide variety of stay options, a robust events schedule, and a strong sense of community, now there was a way to enjoy the wonders of Chincoteague for every budget without sacrificing the experience. To this day, the campground and Maui Jack's Waterpark maintain a stellar reputation that continues to attract new visitors to Chincoteague Island.

In 2022, Chincoteague Island KOA joined the Jellystone Park™ family, rebranded to Jellystone Park™ Chincoteague Island and further solidifying the campground as a family-friendly destination focused on fun and unforgettable camping experiences. The success of this campground is due to a commitment to ever-evolving practices, innovative planning and marketing, and the sheer tenacity it takes to think outside the box and never settle for less than extraordinary.



SITE NIGHTS OCCUPIED



THE TIMELINE

2016

Blue Water purchased the Maddox Family Campground for \$7 million.

2017

After renovations and rebranding, the Maddox Family Campground opened as Chincoteague Island KOA.

2021

Blue Water sold Chincoteague Island KOA & Maui Jack's Waterpark to Sun Communities in December 2021 for \$35 million and became the property manager for both assets.

2022

Chincoteague Island KOA was rebranded to Jellystone Park™ Chincoteague Island.