

Winnie I-10 Operating Cost Note

Controlled Truck-and-Trailer Yard

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Draft for discussion. Figures are planning examples only. Final operating costs must be confirmed through vendor quotes, insurance quotes, tax estimates, utility assumptions, management plan, and site-specific operating design.

1. Purpose

The Winnie proforma uses an operating expense ratio to convert gross parking revenue into net operating income. That number matters. A controlled truck-and-trailer yard is not free to operate, even if it is automated.

The yard still needs gate access; payment processing; customer onboarding; cameras; lighting; internet or cellular service; trash service; restroom cleaning; grounds cleanup; pothole and surface repair; insurance; property taxes; property management; periodic patrol or inspection; customer support; and accounting and administration.

This note explains a reasonable operating cost range for a ten-acre controlled truck-and-trailer yard at Winnie.

2. Operating model

The base operating model is an automated, controlled-access yard. The customer signs up, pays electronically, receives a PIN, QR code, card, or mobile credential, enters through a controlled gate, parks in an assigned stall, and leaves when finished. The yard is not assumed to have a full-time attendant.

The yard is assumed to have a fenced perimeter; a controlled gate; numbered or assigned stalls; lighting; cameras; trash cans or a dumpster; an executive-style restroom or restroom trailer; basic customer support; periodic inspection; cleaning and maintenance; and the ability to remove or penalize bad users. This is closer to an automated storage and parking operation than a staffed truck stop.

3. What 27% means

The current proforma uses a 27% operating expense ratio. For each \$1.00 of gross parking revenue, about \$0.27 is spent operating the yard, leaving about \$0.73 as NOI before debt service and income taxes.

Item	Amount
Combination spaces	~180
Monthly rate	\$200
Occupancy	88%
Gross annual revenue	~\$380,000
Expense ratio	27%
Operating expenses	~\$103,000
Net operating income	~\$278,000

A 27% ratio is possible only if the yard is run tightly. It assumes automation, limited staffing, controlled trash and restroom cost, no full-time guard, and no unusually high tax, insurance, utility, or repair burden.

4. Recommended underwriting range

Case	Expense ratio	Meaning
North Star target	27%	Works if automation and cost control perform well
Base underwriting	32%–35%	Safer planning case
Stress case	40%	Higher security, cleaning, taxes, insurance, repair, or utility load

For investor underwriting, North Star should not rely only on 27%. A safer base case is 32% to 35%. A 27% expense ratio should be treated as a target achieved through automation, owner control, disciplined vendor pricing, and good customer behavior.

5. Example annual operating budget

A ten-acre automated yard may carry the following annual operating cost range.

Operating item	Target	Base / safer range
Property management / admin / customer support	\$12,000–\$18,000	\$18,000–\$30,000
Payment software / gate software / merchant fees	\$8,000–\$15,000	\$12,000–\$22,000
Gate, camera, internet, access-control service	\$8,000–\$15,000	\$12,000–\$25,000
Periodic patrol / security response	\$12,000–\$24,000	\$18,000–\$36,000
Trash removal and grounds cleanup	\$12,000–\$20,000	\$18,000–\$30,000
Restroom cleaning / supplies / service	\$12,000–\$24,000	\$18,000–\$36,000
Lighting power / utilities / generator fuel if needed	\$10,000–\$20,000	\$18,000–\$40,000
Surface maintenance / potholes / striping / small repairs	\$12,000–\$25,000	\$20,000–\$45,000

Operating item	Target	Base / safer range
Insurance	\$10,000–\$20,000	\$15,000–\$35,000
Property taxes	\$20,000–\$40,000	\$30,000–\$60,000
Accounting / reporting / miscellaneous	\$5,000–\$10,000	\$8,000–\$15,000
Total operating cost	~\$121,000–\$231,000	~\$187,000–\$374,000

This broad range shows why vendor quotes matter. The largest swing items are taxes, insurance, utilities, security, restroom service, and surface maintenance.

6. Practical operating assumption

Case	Gross revenue	Expense ratio	Expenses	NOI
Target	~\$380,000	27%	~\$103,000	~\$278,000
Base	~\$380,000	32%	~\$122,000	~\$259,000
Conservative	~\$380,000	35%	~\$133,000	~\$247,000
Stress	~\$380,000	40%	~\$152,000	~\$228,000

At the current proforma cost of about \$1.95 million:

Case	NOI	Yield on cost
27% expense ratio	~\$278,000	~14.3%
32% expense ratio	~\$259,000	~13.3%
35% expense ratio	~\$247,000	~12.7%
40% expense ratio	~\$228,000	~11.7%

The project still clears the 12% yield-on-cost floor at 35%. At 40%, it falls below the floor unless the monthly rate, occupancy, density, or cost basis improves.

7. Security and conduct control

The yard should not be operated as an open lot. Bad behavior destroys the business.

The operating model should include customer registration; license plate and DOT or company record; an assigned stall; a gate credential tied to the customer; camera coverage at the gate and key lanes; posted rules; a trash policy; restroom rules; the right to fine, suspend, or terminate users; cleanup charges for waste, damage, or improper disposal; no dumping; no long-term abandoned equipment; no unauthorized repair work unless approved; and periodic patrol or inspection.

The system should allow North Star to identify who entered, when they entered, and where they were assigned to park. If a user leaves trash, bottles, waste, or damage, the account should be charged or terminated.

8. Sentinel tower / camera tower

A camera tower or sentinel-style security unit may be useful, but it should not be assumed as a permanent base cost unless the risk requires it. The base case should assume fixed cameras, a gate camera, license-plate capture if practical, lighting, and periodic patrol.

A security tower should be treated as an add-on for the launch period; high-theft risk; the construction period; repeated dumping; vandalism; an insurance requirement; a law-enforcement concern; or site-specific risk. If a security tower is needed full time, the operating expense ratio may need to move closer to 35%–40%.

9. Restroom and cleaning

The restroom is a service advantage, but it is also a risk. The operating plan should decide whether the yard uses a restroom trailer; a prefab restroom unit; a small executive-style restroom; a utility-connected restroom; or a portable restroom during launch.

The underwriting should include cleaning, supplies, repairs, and abuse. A restroom should not be provided unless it can be cleaned, locked, monitored, and shut down if abused.

10. Operating gate

Before construction, North Star should confirm a vendor quote for the gate and access system; a camera, internet, and cellular quote; a trash service quote; a restroom cleaning and service quote; an insurance quote; a property tax estimate; a utility or generator cost; a surface maintenance plan; a patrol or security response cost; and parking management software and payment-processing cost.

The operating expense ratio should then be set from quotes, not from a percentage.

11. Recommendation

Use 35% as the first conservative underwriting case until operating quotes are collected. Keep 27% as the North Star target case. Show both numbers.

The correct investor-facing position is that the proforma target is a 27% expense ratio based on an automated, controlled-access yard with limited staffing; that until operating quotes are collected North Star also tests the deal at 35%; and that the project must clear the 12% yield-on-cost floor under the operating case selected for underwriting. This is honest and still leaves the project alive.

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