

**Mayor**  
Alice Ruby

**City Manager**  
Jack Savo Jr.



**Dillingham City Council**  
Triston Chaney  
Jean Barrett  
Steven Carriere  
Curt Armstrong  
Kaleb Westfall  
Kevin McCambly

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## MEMORANDUM TO COUNCIL

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**To:** Mayor and City Council Members  
**From:** Abigail Flynn, City Clerk's Department  
**Through:** Jack Savo Jr, City Manager  
**Date:** April 3, 2026  
**Re:** Resolution 2026-12, Authorizing the Mayor to Execute Lease Agreement with GCI Communication Corp.

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**SUMMARY:** Staff is requesting Council approval of Resolution No. 2026-12 authorizing the Mayor to sign an attached lease agreement between the City of Dillingham and GCI Communication Corp. for the property located at 412 W. 2nd Avenue.

The lease establishes updated rental terms consistent with current market conditions and formalizes continued use of the property for retail and office telecommunications services.

Council action is needed to approve the resolution and authorize execution of the lease.

### **PREVIOUS COUNCIL ACTION:**

- Resolution No. 2025-29 authorized City Administration to negotiate a lease agreement with GCI Communication Corp and bring it back to the Council as a resolution.
- Previous lease agreements between the City of Dillingham and GCI have governed use of the property, with earlier terms expiring December 31, 2024

### **BACKGROUND:**

The City owns the property located at **412 W. 2nd Avenue (Lot 3, Block 17, Plat 2023-04)**, consisting of approximately 936 square feet of commercial retail/office space .

GCI has historically leased the property for telecommunications retail and office use. The proposed lease formalizes updated terms following expiration of the prior agreement.

A market lease rate analysis was conducted to determine fair rental value. The analysis concluded a **most probable market rental rate of approximately \$2.65 per square foot per month (\$2,480/month)** for the property under a triple-net lease structure

**DISCUSSION:** The attached lease agreement includes the following key terms:

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- Property: 412 W. 2nd Avenue, Dillingham, Alaska
- Use: Retail store and office for telecommunications services
- Term:
  - Initial backdated term beginning August 1, 2025
  - One-year term for calendar year 2026
  - Options for renewal up to five total years
- Rent:
  - \$930/month for remainder of 2025
  - \$2,480/month for 2026
  - Increase to \$2,575/month upon renewal
- Structure: Triple-net lease, with tenant responsible for utilities and operating costs

The lease aligns with market conditions identified in the appraisal and reflects updated rental values compared to prior below-market rates.

**ALTERNATIVES:**

1. Approve Resolution No. 2026-12 and authorize the Mayor to execute the lease.
2. Amend the resolution or lease terms.
3. Decline to approve the lease.

**FINANCIAL IMPLICATIONS:**

A fiscal note is attached.

The lease will generate revenue to the City consistent with current market rates. The updated rental rate represents a significant increase from prior below-market lease amounts and aligns with the appraised fair market value.

**LEGAL:**

The lease agreement has been reviewed and is consistent with Dillingham Municipal Code provisions governing leasing of City property.

**STAFF RECOMMENDATION:**

Staff recommends approval of Resolution No. 2026-12 authorizing the Mayor to execute the lease agreement with GCI Communication Corp.

**PROPOSED MOTION:**

“I move to adopt Resolution No. 2026-12 authorizing the Mayor to execute a lease agreement between the City of Dillingham and GCI Communication Corp. for the property located at 412 W. 2nd Avenue.”

**ATTACHMENTS:**

- Lease Agreement (GCI Communication Corp.)
- Market Lease Rate Analysis (412 W. 2nd Ave)
- Resolution No. 2025-29
- Fiscal Note