



**“GCI Building”**  
**412 West 2<sup>nd</sup> Ave. - Dillingham, Alaska 99576**



January 12, 2026

City of Dillingham

Jack Savo – City Manager & Abigail Flynn – City Clerk

P.O. Box 889 Dillingham, Alaska 99576

**Re: Fair Market Rental Analysis of:**

**“GCI Building” – Potato House - 412 W. 2<sup>nd</sup> Ave – 936 SF Retail Building,  
(Block 17, Lot 3, Plat 2023-4, Bristol Bay R.D.) - approx. 5,403 SF site  
Dillingham, Alaska 99576**

Mr. Savo & Ms. Flynn,

At your request, we have prepared an analysis to summarize the **current fair market lease rates** of the property referenced above, known locally as the “GCI Building – Potato House” in downtown Dillingham, Alaska. We have considered and analyzed **market rental lease data** for similar above-average quality and condition **mixed-use office** facilities in more remote / rural areas in western Alaska – concentrating our analysis on Dillingham. We have considered all competing properties in more rural / remote villages within the Bristol Bay area and similar size / style / type lease space statewide. The data gathered and analyzed represents numerous comparable rentals of similar size, similar use facilities, all having similar floorplans / layouts / uses and challenges of access



considered with remote / rural locations providing good indicators of market lease rates in rural / remote Alaska. We have come up with the most probable market rental rate for the subject property, which establishes the most probable market rental rate. The subject consists of commercial mixed-use office / retail space, and we have analyzed and considered many mixed-use office spaces in collecting data and coming to a conclusion on the market value of the subject space.

Our analysis and conclusions will be presented in the following report, with a brief discussion of the subject property characteristics, photographs, sketches and diagrams. We inspected the subject property **November 25, 2025**, with additional data from our client, the City of Dillingham, all data deemed and assumed accurate.

**The Dillingham GCI Building** is located on West 2<sup>nd</sup> Ave in the central part of town, less than a block north of Main Street. The building consists of a generally rectangular-shaped **single-story mixed-use commercial building** totaling approx. **936 SF (24' x 37')**, located on a small, **5,403 SF generally rectangular shaped lot** for the neighborhood. The building was constructed purpose-built as a mixed-use show-room / office, with an open room / reception, office area, ½ bathroom and support areas. The subject appears to be above average to good quality and condition for a commercial building in Dillingham, Alaska. We will briefly discuss the site and improvements and then discuss / analyze the market lease / rental rates for the subject based on the most similar market rentals.

### **Intended Use / Intended Users**

The intended user of the report is the City of Dillingham, and any additional intended users identified by the client. The intended use is to establish a fair market rental rate for the retail / office property at 412 W. 2<sup>nd</sup> Ave. No other intended users or uses are allowed. The client is the owner / current lessor - City of Dillingham, therefore, they are familiar with the building and overall facility attributes. We will summarize the improvement and site descriptions, concentrating our analysis on the market rental rate analysis as requested. **We assume the site is environmentally clean**, and that there are no contamination issues on site, and that there are no long-term leases encumbering the subject – building is leased short term to GCI.

### **Community Characteristics**

Dillingham, Alaska, is a remote coastal city in the Bristol Bay region, serving as the economic and administrative hub for the surrounding census area. As of 2025, its population stands at approximately 2,121, reflecting a continued decline of about 1.12% annually and a 5.31% drop since the 2020 census figure of 2,240. The demographics feature a median age of 31.3 years, with a diverse racial makeup dominated by Native American residents. The local economy revolves heavily around commercial salmon fishing, which yields millions of fish annually from Bristol Bay's prolific waters,

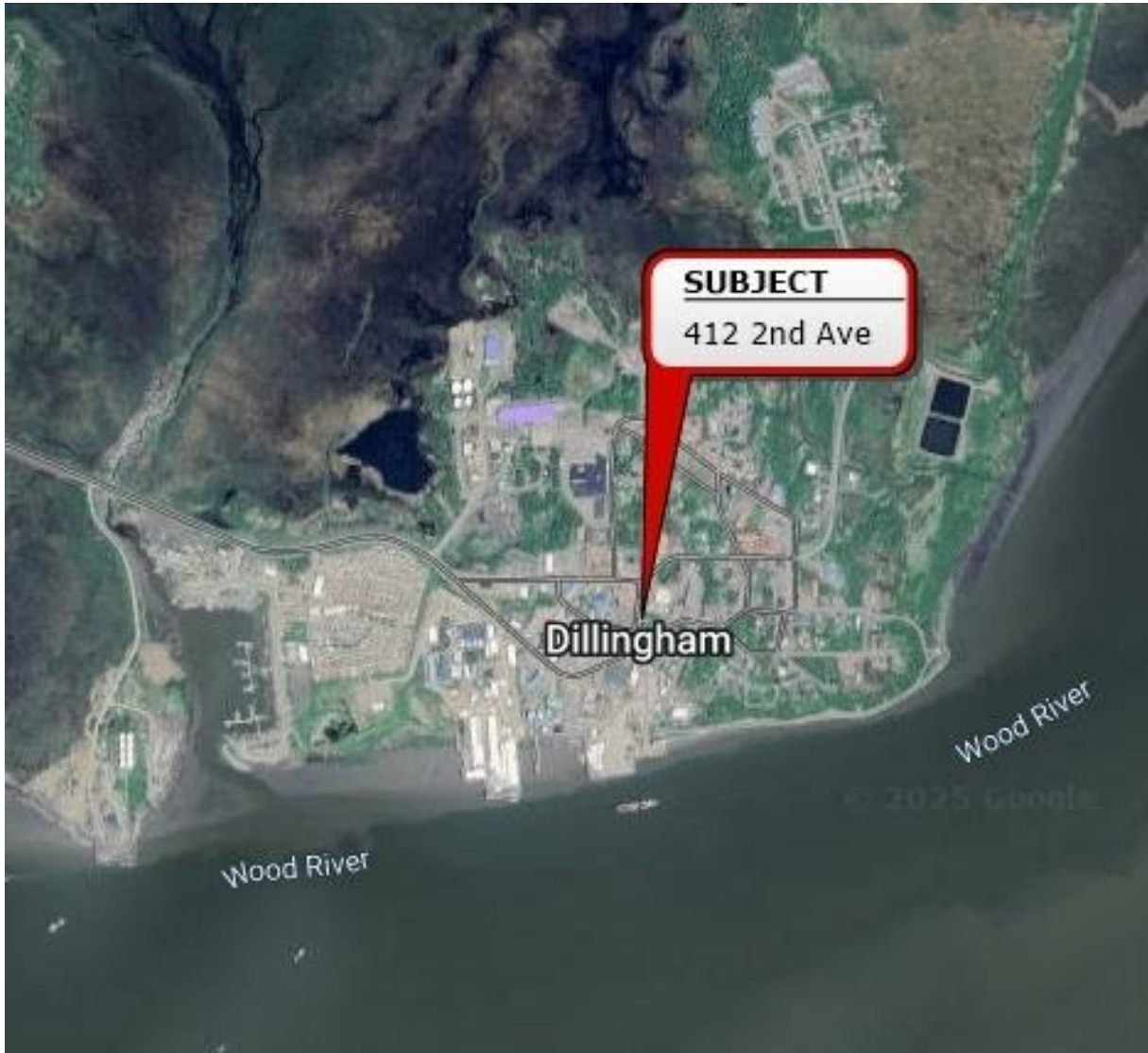


supplemented by seafood processing, sport fishing, eco-tourism in nearby Wood-Tikchik State Park, and government employment tied to wildlife refuges. Median household income hovers around \$100,000, with per capita income at \$65,640 and a poverty rate of 9.86%, underscoring a resilient but volatile resource-based livelihood.

Current trends indicate persistent challenges for Dillingham's workforce and population dynamics, mirroring broader Alaska patterns of rural outmigration and an aging demographic shift. The labor force totals about 1,052 individuals, boasting a high employment rate of 95.1% and a low unemployment rate of 4.9%, though seasonal fluctuations in fishing dominate job availability, prompting diversification efforts into tourism and processing. Educational attainment supports this, with 49% holding high school diplomas and 16% possessing bachelor's degrees, yet statewide workforce shortages—exacerbated by a shrinking working-age population through 2050—pose recruitment hurdles, leading to higher wages and reliance on retirees for skilled roles. Population projections suggest stabilization around 2,153 by mid-decade if growth edges up to 0.4%.

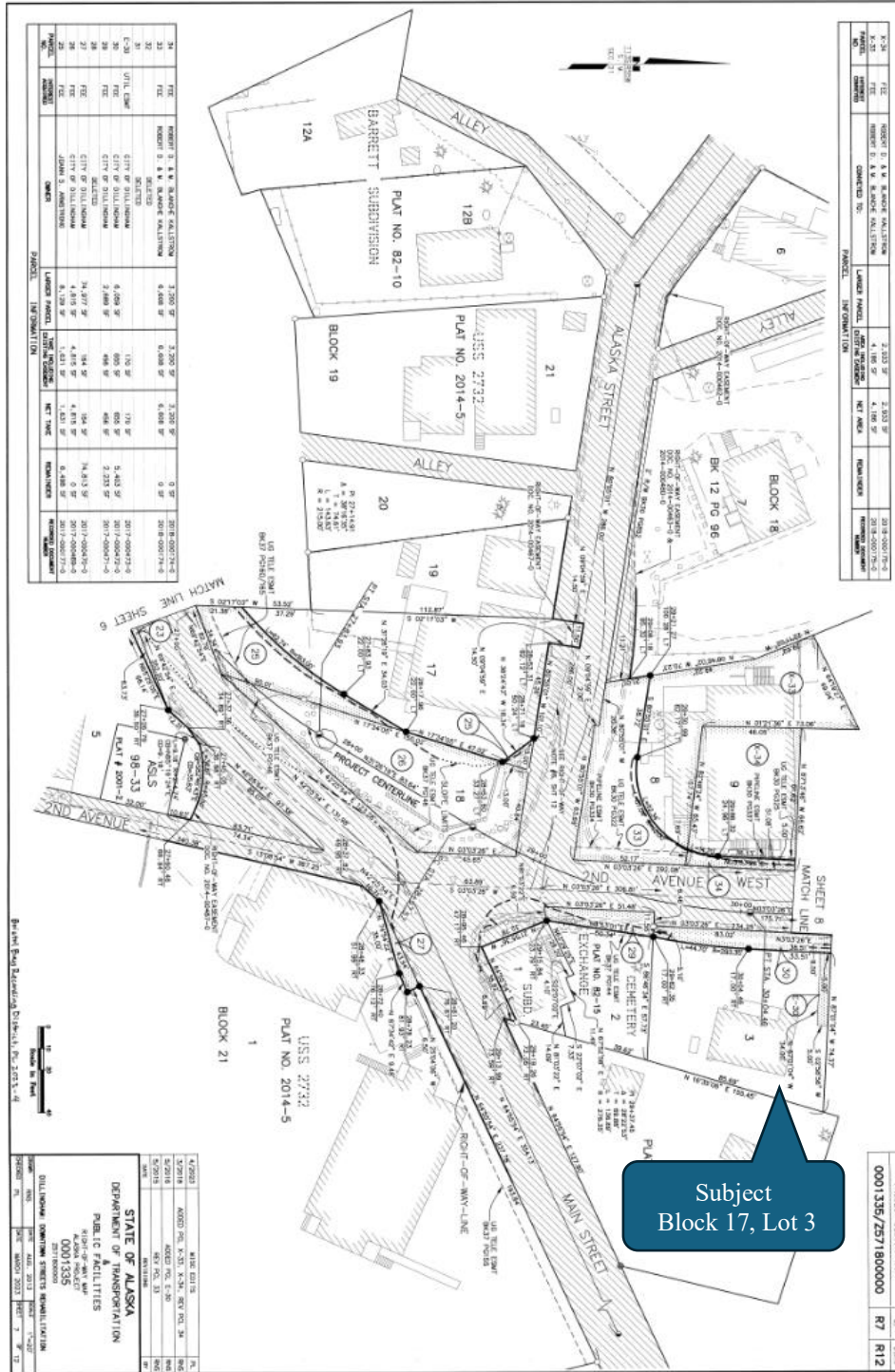


Downtown Dillingham Map

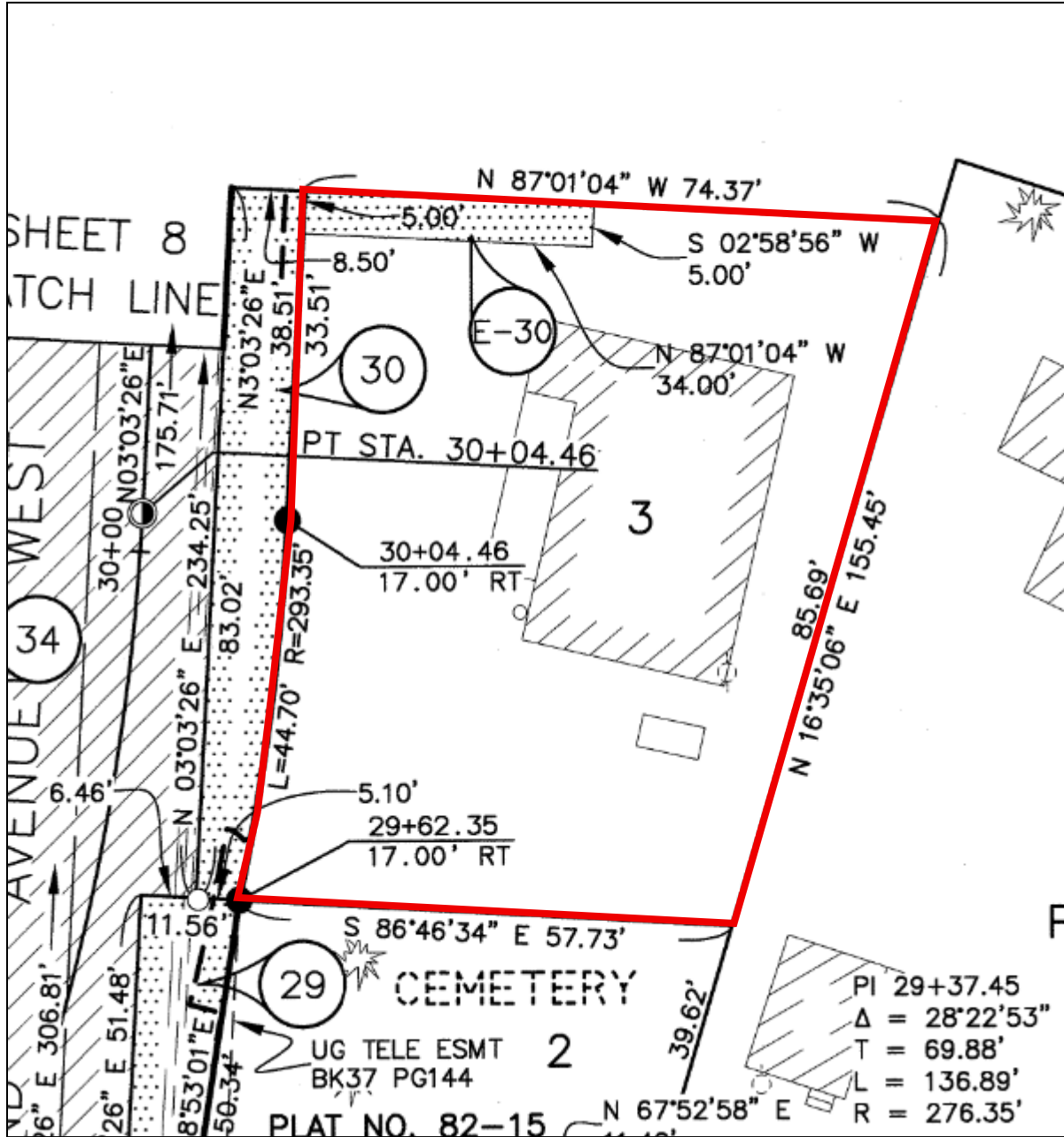




**Plat 2023-4 Bristol Bay Recording District – Legal / Plat Map**



**Plat 2023- 4 Close up**



# SUBJECT PHOTOGRAPHS

Photographs taken by Reed Whitmore November 25, 2025



Looking East from W. 2<sup>nd</sup> Ave



Looking East/ SE



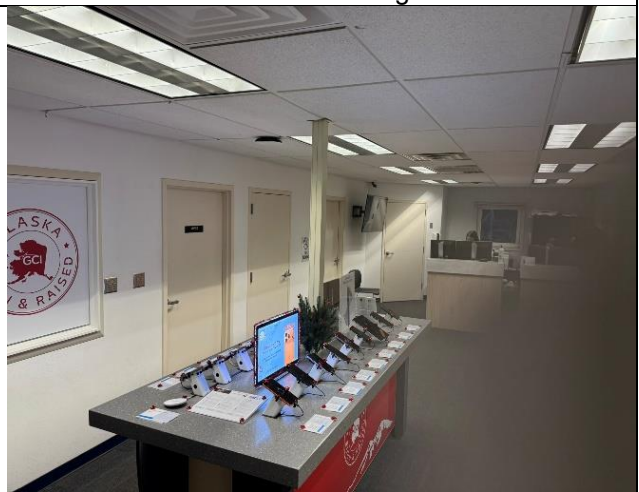
South Side



West 2nd Ave Looking South



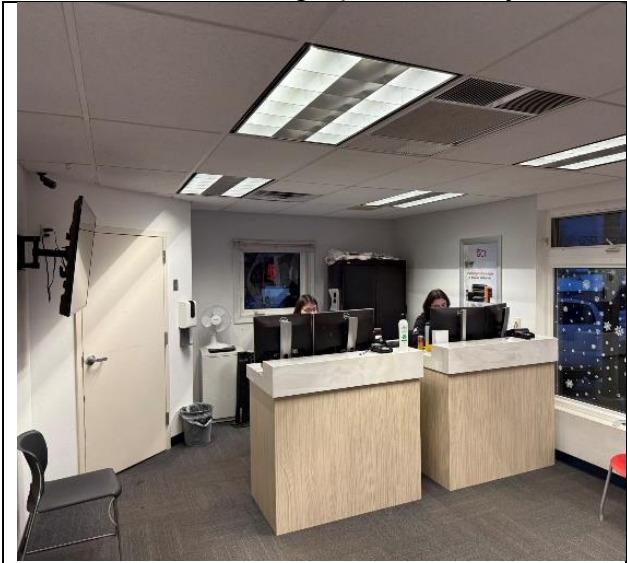
W. 2nd Ave Looking North



Show Room

## SUBJECT PHOTOGRAPHS

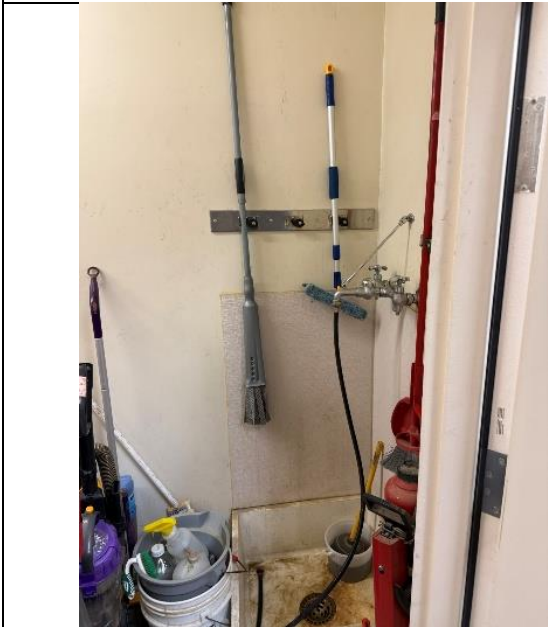
Photographs taken by Reed Whitmore November 25, 2025



Show Room Reception



Forced Air heating



Janitor Closet



Mechanical Room

## SUBJECT PHOTOGRAPHS

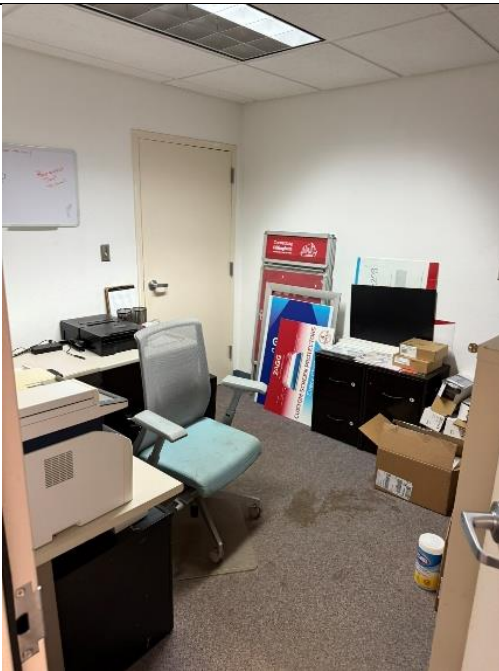
Photographs taken by Reed Whitmore November 25, 2025



1/2 Bathroom



Break Room



Back Office



Storage Room

## **412 West 2<sup>nd</sup> Avenue, Dillingham – GCI Building / Potato House**

### **Site Characteristics**

This mixed-use commercial Retail / Office Building is located on a 5,403 SF size site, a typical, smaller lot for the central, downtown Dillingham market. The site is located next to the City Maintenance Shop and City Hall, near Main Street in downtown Dillingham, with other commercial and residential buildings, including the U.S. Post Office, in the immediate area. Good overall access attributes, with direct access off West 2<sup>nd</sup> Ave, that connect Main St. and “D” Street, the two main arterials in the area – considered a good location for a small retail store or office. The site is large enough to support the building, with 5-8 on-site parking spots in the front / side of the building – overall, above-average curb appeal. The site slopes west to 2<sup>nd</sup> Ave and to the south. The site has city water and sewer, with public electricity, with fuel oil (500 Gallon tank on the south side of the improvement) used for heating – all typical utilities for the local Dillingham market. Overall, the site appears to be adequate size and utility for the purpose and provides good proximity and access from the downtown district, schools, airport, businesses, and houses in the community, with good access and visibility – see photos.

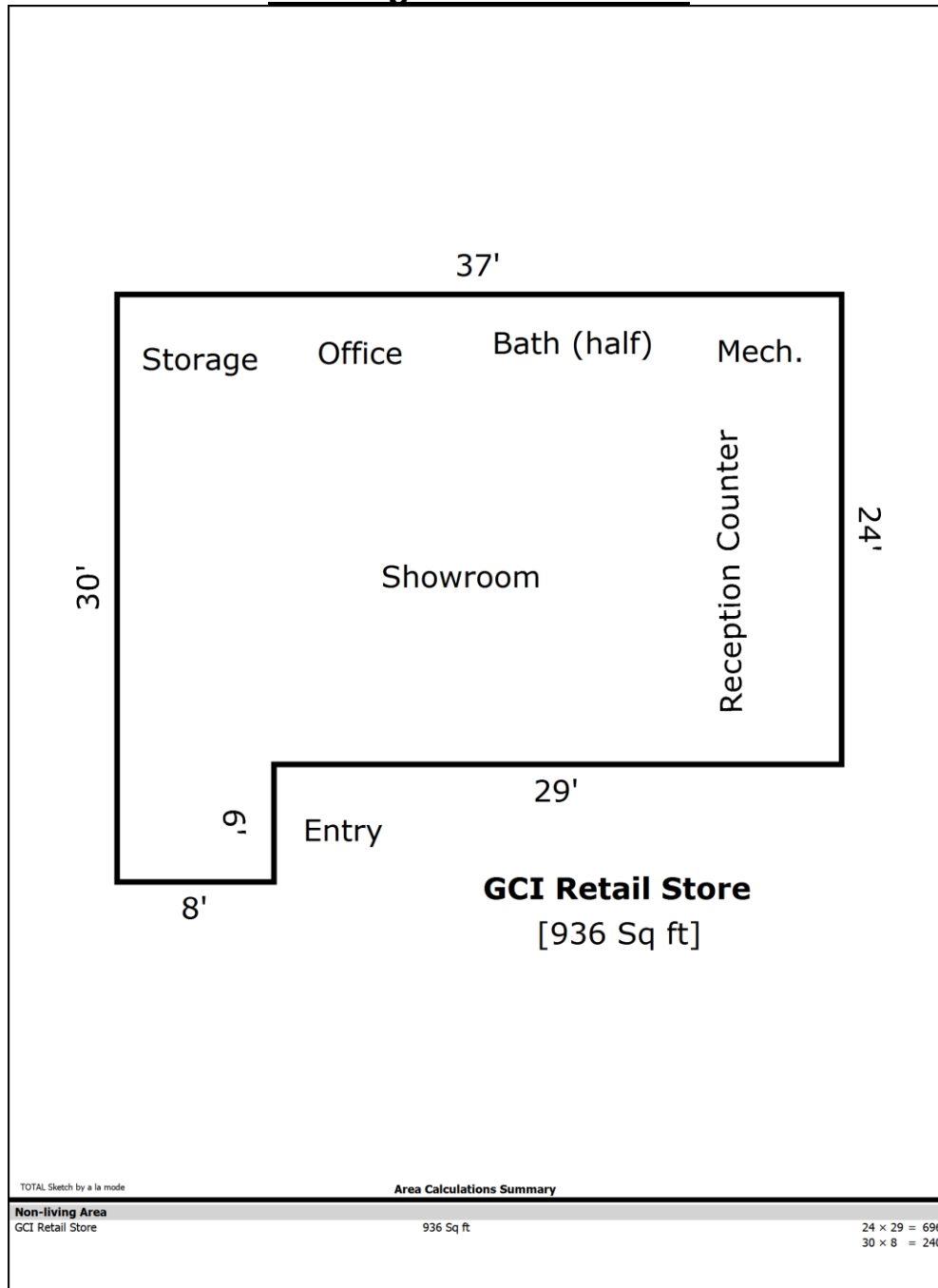
### **Improvement Description & Characteristics**

The subject consists of a **5,403 SF / 0.12 Ac. site improved with an existing 936 SF office building, built in 2000.** The building appears to be in above average to good condition and is located in the town center area, with good access off W. 2<sup>nd</sup> Ave. The building is a 24’ x 37’ stick frame, rectangular-shaped retail /office building with vinyl siding and windows, metal exterior doors, metal roof, all on concrete slab. There is a 6’ x 23’ covered porch leading to a 6’ x 8’ extended entry. The building has exterior lighting under the covered porch and on the west and south exterior walls to illuminate the parking areas. According to the Plat, the building is located on the NE portion of the lot, which provides the west and southern parking areas.

The building has a large showroom area with display and sales counters, with metal doors separating the back rooms (a storage room, office, ½ bathroom and mechanical) that run along the north / back portion of the building. There are painted sheetrock walls, and fluorescent lights in the drop ceiling with commercial carpet squares covering the floors. The exception is the mechanical room which has a higher sheetrock ceiling, industrial light fixtures, all on the open concrete slab. The building has fuel oil fired forced air heating. The subject is an above average to good quality and condition commercial retail / office for the community of Dillingham, with an above average location and overall high functional utility for the smaller building.

In the following section, we will analyze comparable market rates for similar style and type properties in the local market, to derive a “Market Value” rental rate for the subject property identified in this analysis.

## Building Sketch – 936 SF



## **Current Rent Analysis and Discussion**

The subject is currently leased short term (month to month) to GCI – most recent contract amount of \$0.62/SF, with the tenant paying all variable costs (utilities, taxes and insurance) – NNN lease (triple net lease). This lease is well below market, and not given any weight in this analysis, with City of Dillingham representatives indicating the proposed lease rate will be closer to \$1.75/SF, with escalators up to \$2.75/SF (NNN) – much closer to actual market rates for the area and style / type / condition in the market.

## **Market Rental Analysis and Discussion**

At your request, we are providing a **market rental analysis** of the subject property 412 W 2<sup>nd</sup> Ave, owned by the City of Dillingham, leased to GCI. The intended use is to determine a **fair market rental rate** for the purpose of establishing a current market value lease rate for the subject property. This report is intended to meet all City of Dillingham Facility Lease requirements. We have summarized our findings, data, and conclusions, with the primary focus being to provide a **most probable fair market rental rate** for the type of space in the Dillingham, Alaska market – based on a NNN lease, with the tenant paying all utilities (taxes, insurance, electric, fuel, water, sewer, etc.) We have completed a number of appraisals in rural cities/villages of similar mixed-use retail / office properties, and we have researched our appraisal files, MLS data, and had discussions with the City of Dillingham – client / owner and realtors owning / managing similar properties in the similar marketing areas, including rental / lease data from current leases and compared values for similar office / retail buildings in more rural / remote areas, all providing good market rental lease data for analysis.

We will discuss our findings and conclusions below, with supporting documentation located in the appraisers' file. The data below summarizes our rental analysis and conclusion based on the data discovered in analyzing western Alaska rural / remote leases of similar type mixed use office / retail space, considered adequate to provide a reliable market rental range for the subject building. Locally we have discovered four office spaces near the subject in Dillingham, including office space, and mixed-use hangar / office building in the Naknek / King Salmon area with similar potential utility of use, providing good data for analysis. The comparable properties analyzed reflect a range of quality, condition, and location similar remote warehouse / office space, providing good data for analysis. We will summarize the data analyzed, discuss respective attributes / comparability, and conclude the most reasonable and supportable price per SF rental rate for the subject space.

“Market Rent” is defined in The Dictionary of Real Estate Appraisal as “The rental income that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space as of the date of the appraisal.” **All of the leases analyzed have been adjusted to reflect a similar triple net leases (NNN),**

where the tenant pays all variable expenses (taxes, insurance, heat, electric, telephone, water & sewer) and possessory taxes while owner/ landlord is responsible for major building expenses. This is a typical arrangement in the market for similar single tenant buildings. We have appraised and have good rental data on similar rural properties – therefore our estimates are reliable. All leases analyzed were adjusted to triple net leases, similar to the subject.

### **Dillingham Mixed-Use Warehouse / Office Space - Analysis of Lease Data**

Market rent for the Subject is governed by the existing and asking rental rates of the Subject, as well as those of similar utility properties in the Subject's area and similar marketing areas. We were not provided with a current lease, but a City of Dillingham representative indicated that the tenant has been paying \$0.62/SF/Mo., or about \$580/Mo., with the tenant responsible for all other major expenses. This historical rate is well below market and was not given any weight in the analysis.

### **Dillingham Mixed Use Office Space - Conclusion of Market Rent**

We have analyzed a total of 16 current mixed-use office / retail leases of similar style / type / various size / quality / condition / utility of use mixed-use space in Dillingham and competing rural communities in western - northwestern Alaska, ranging in size from 135 SF to 4,000 SF – bracketing the subject's size. In an effort to analyze and consider the most similar, most applicable comparable rentals. These leases have allowed us to estimate a rental range and the most probable market value rental rate for the subject's retail / office space – totaling approx. **936 SF**.

All of the rental rates analyzed have been adjusted to reflect triple net leases, with the tenant paying all variable expenses, taxes and insurance. **We have adjusted all leases to reflect similar triple net leases** based on actual & historical costs from actual variable costs experienced by similar mixed-use office space in competing markets – providing good data for support of leases similar to the subject. The data discovered indicate that the **overall adjusted range** of similar retail / office space in the market is \$2.45/SF/ mo. to \$4.30/SF/ mo., with an overall adjusted average of \$2.57/SF/ mo. The most similar, best office / retail comparable is located in downtown Dillingham at 333 W. Main Street – less than a block from the subject – with rental rates ranging from \$2.43/SF to \$3.30/SF.

The five Dillingham office rentals representing the middle of the range and given significant weight in the analysis provide good overall support. The subject is bracketed by the comparables' attributes, with a concluded market rental rate near the mid-range of the indicators. The subject is a smaller (936 SF) stand-alone office space property with good location, access and visibility that is above-average to good in quality workmanship & condition creates upward rental rate pressure.

## **Final Reconciliation & Conclusion of Market Rent – 412 W. 2<sup>nd</sup> Ave.**

Considering the good location, access, visibility and above-average quality and condition of the building, with more weight given to the Dillingham comparables, the subject falls near the mid-range of the market rental rates of similar type properties.

In conclusion, the most applicable rental rate range concluded for 412 W 2<sup>nd</sup> Ave – 936 SF Office/ Retail Building, considering the buildings characteristics is **\$2.50/SF/ mo. to \$2.75/SF /mo.**, with **the most probable rental rate** near the mid-range **at \$2.65/SF**, (NNN Lease) with the tenant paying all taxes, insurance and utilities (variable costs).

Range:           \$2.50 / SF/ month x 936 SF = \$2,340 / month     **RD \$2,340/ month**  
                  \$2.75 / SF/ month x 936 SF = \$2,574 / month     **RD \$2,575/ month**

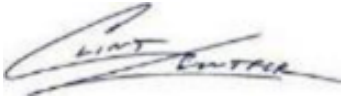
### **Most Probable Market Rental Rate:**

**\$2.65 / SF/ month x 936 SF = \$2,480 / month   (\$2.65/ SF)**  
**\$29,760 – Annually**

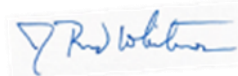
## Appraiser Certification

We certify that, to the best of our knowledge and belief:

1. We have no present or prospective interest in the property that is the subject of this report. We have no personal interest or bias with respect to the parties involved with this assignment. We have no bias with respect to the property that is the subject of this report.
2. Our engagement in completing this assignment is not contingent upon the development or reporting of a predetermined result. Our compensation for completion of this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
3. The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased, professional analysis, opinions, and conclusions.
4. J. Reed Whitmore completed a full site inspection of property that is the subject of this report on November 25, 2025. Additional discussions with the owner / manager provided detailed further supporting information and photographs that allowed us to accurately ascertain the quality, condition, and extent of the improvements on site, with an effective date of the appraisal report / inspection being November 25, 2025.
5. The statements of fact contained in this report are true and correct.
6. Unless otherwise stated, this report is presented in a summary style appraisal type format. This report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the author) affecting the analysis, opinions, and conclusions contained in this report. Only the intended users may rely on the findings within this appraisal report.
7. This Report conforms with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Our analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The appraisers have the appropriate knowledge and experience required to complete the assignment competently.
10. The use of this Report is subject to the requirements of the Appraisal Institute relating to review by its authorized representatives.
11. No assistance other than the undersigned, or those whose services are specifically acknowledged herein, prepared the analysis, conclusions, and opinions concerning the real estate that are set forth in this Appraisal Report.
12. Clint H. A. Lentfer is currently certified by the State of Alaska as General Real Estate Appraiser (Certificate No. AA-506). J. Reed Whitmore is currently certified by the State of Alaska as General Real Estate Appraiser (Certificate No. 214040).
13. The Appraisal Institute conducts a program of continuing education, and members who meet the minimum standards of this program are awarded periodic education certification. As of the date of this Report, Clint H.A. Lentfer and Reed Whitmore have completed the requirements under the continuing education program of the Appraisal Institute.



Clint H. A. Lentfer, MBA, SRA, APRG506



J. Reed Whitmore, # 214040

**QUALIFICATIONS OF APPRAISER**  
**CLINT H.A. LENTFER, MBA, SRA**

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**EDUCATION:**

University of Wyoming

University of Alaska Anchorage

- BA Business Management (1995)
- MBA Business Administration (2000)
- SRA Designation – Appraisal Institute (2019)

**EXPERIENCE:**

1997 to 2010: Certified General Real Estate Appraiser / Consultant, Appraisal Company of Alaska

2010 to Present: Partner / Owner, Alaska Appraisal & Consulting Group, LLC

**QUALIFICATIONS:**

29 years' experience in real estate appraisal work for local and national mortgage lending institutions. Residential properties include single-family residences, multi-family income properties, remote properties including Lodges, cabins, vacant land - statewide. Commercial properties including remote fishing, hunting and adventure lodges, apartment buildings, warehouses, large and small retail and office complexes, and commercially zoned vacant land. Qualified expert witness in State of Alaska Supreme Court. Board of Directors & Treasurer Alaska Chapter Appraisal Institute. Appointed Board Member of Certified Real Estate Appraisers - State of Alaska. Commercial Contract tax assessment work for Various State of Alaska Municipalities.

**ACCREDITATIONS, COURSES AND LICENSES:**

- State of Alaska - Certified General Real Estate Appraiser Certificate, AA-506
- FHA/HUD Approved Appraiser
- Course 311 - Residential Modeling Concepts
- Course 101 - Fundamentals of Real Property Appraisal
- Course 151 - Standards of Practice and Professional Ethics
- Course 112 - Income Approach to Valuation II
- Appraisal Institute Course – Highest & Best Use and Market Analysis
- Appraisal Institute Course – Advanced Sales Comparison
- Appraisal Institute Course – Narrative Report Writing & Valuation Analysis
- Appraisal Institute Course – Advanced Applications
- Appraisal Institute Course – Advanced Income Capitalization
- Appraisal Institute Course – Advanced Residential Applications, Case Studies & Report Writing
- The Technical Inspection of Real Estate, The Beckman Company
- Land Valuation Assignments, Adjustment & Procedures
- Effective Banker – Appraiser Communication
- Subdivision Valuation – Seminar
- Appraisal of Local Retail Properties – Seminar
- Appraisal Institute – SRA Designation 2019
- State of Alaska – Board Approved Supervisory Appraiser

**QUALIFICATIONS OF APPRAISER**

**J. Reed Whitmore M.A.T, M.Ed**

Alaska Appraisal & Consulting Group [www.akacg.com](http://www.akacg.com)

Education	Bachelor of Science	Trinity College, Chemistry	1987
	Master of Arts- Teaching	University of Alaska -Anchorage	1994
	Master of Educational Leadership	University of Alaska -Anchorage	2001
Experience	Certified General Real Estate Appraiser		January 2024
	Alaska Appraisal & Consulting Group		2021 - Present
	Secondary School Principal & Teacher		
	Anchorage School District		1994- 2021

**Qualifications**

Five years of experience in real estate appraisal focused on commercial and rural /remote properties in Central, Southcentral and Western Alaska. Residential properties include urban, suburban, rural, and remote homes, recreational cabins, and remote vacant land. Commercial properties include warehouses, aircraft hangars, remote fishing lodges, motels, small office buildings, hunting and fishing lodges, commercial vacant land.

**Accreditations, Courses and Licenses**

- State of Alaska - Certified General Real Estate Appraiser Certificate, #214040
- General Appraiser Market Analysis Highest and Best Use
- General Appraiser Income Approach/Part 1 & Part 2
- Expert Witness for Commercial Appraiser
- Supervisory Appraiser/Trainee Appraiser Course
- 2020-2021 15-Hour Equivalent USPAP
- General Appraiser Market Analysis Highest and Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser General Writing & Case Studies
- Commercial Appraisal Review
- Statistics, Modeling & Finance
- 2020-2021 7-hour National USPAP Update
- Fair Housing, Bias, and Discrimination
- Valuation of Residential Green Buildings
- Appraiser Law in the Real World
- Basic Appraisal Procedures
- Basic Appraisal Principles
- Business Practices and Ethics
- Business Ethic of Appraisers
- 2022-2023 7 hours USPAP

License #: APRG506  
Effective: 5/15/2025  
Expires: 06/30/2027

## State of Alaska

Department of Commerce, Community, and Economic Development  
Division of Corporations, Business, and Professional Licensing

### Board of Certified Real Estate Appraisers

Licensee: **CLINT HERMAN LENTFER**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**

**Note:** Board approved supervisor as of 9/15/2021.

Commissioner: Julie Sande

License #: 214040  
Effective: 5/25/2025  
Expires: 06/30/2027

## State of Alaska

Department of Commerce, Community, and Economic Development  
Division of Corporations, Business, and Professional Licensing

### Board of Certified Real Estate Appraisers

Licensee: **JAY REED WHITMORE**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**

Commissioner: Julie Sande