



“Port Warehouse”

307 W. Main St. - Dillingham, Alaska 99576



January 14, 2026

City of Dillingham

Jack Savo – City Manager & Abagail Flynn – City Clerk
P.O. Box 889 Dillingham, Alaska 99576

**Re: Fair Market Rental Analysis of:
“Port Warehouse” - 307 W. Main St., Dillingham, Alaska 99576
Delta Western Lease Lot Resubdivision of USS 2541, Lot 2
(Plat 2014-9, Bristol Bay RD) approx.- 1.11 acres**

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 “Port Warehouse”. The building is owned by the City of Dillingham, and used by Alaska Marine Lines, who wishes to lease the property. The subject consists of a 6,000 SF stick frame, metal covered warehouse in downtown Dillingham, Alaska. We have considered and analyzed **market rental lease data** for similar average condition **mixed-use warehouse / office** facilities in western Alaska – concentrating our analysis on Dillingham. We have

considered all competing properties in more rural / remote villages within the Bristol Bay area with support of 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 remote / rural locations providing good indicators of market lease rates in rural / remote Alaska. We have produced the *most probable market rental rate* for the subject property, which establishes a *current market rental rate for the mixed-use warehouse / office building*. The subject consists of commercial mixed-use warehouse / office space, and we have analyzed and considered many mixed-use warehouse spaces in collecting data and concluding 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 Port Warehouse Building located at 307 W. Main St. is within the central part of downtown Dillingham, on Main Street with direct waterfrontage on the Wood River. This dual access is rare and makes the utility of use of the site more valuable than most other sites that do not have dual access. The site totals approx. 48,395 SF/ 1.11-acres and is irregular shaped, with approximately 80' waterfrontage. The building consists of a rectangular-shaped, **single-story, uninsulated commercial warehouse / office building** totaling approx. **6,000 SF (60' x 100', with a small 10' x 10' arctic entry)**. The single span, stick frame warehouse includes an insulated 600 SF office area that has a reception / office area, and ½ bathroom. The subject is an average quality and condition commercial warehouse / office building in Dillingham. We will briefly discuss the site and improvements and then discuss / analyze the market lease / rental rates for the subject building.

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 warehouse property located at 307 W. Main Ave, including the use of the site. No other intended users or uses are allowed. The client is the owner / current lessor the City of Dillingham, therefore, they are familiar with the building and overall facility attributes; therefore, 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 has been used by Alaska Marine Lines, although no current lease in place.

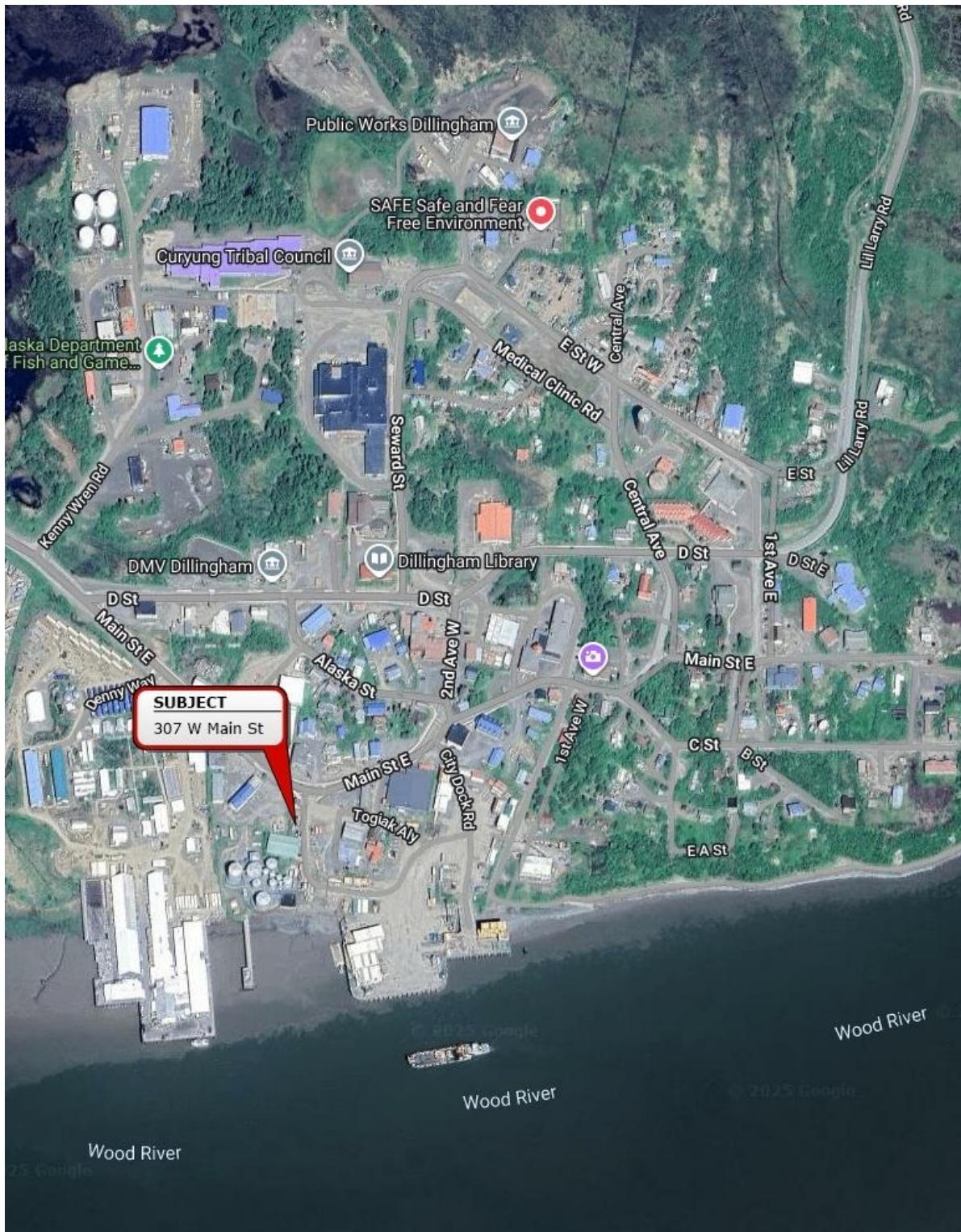
Community Characteristics

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.

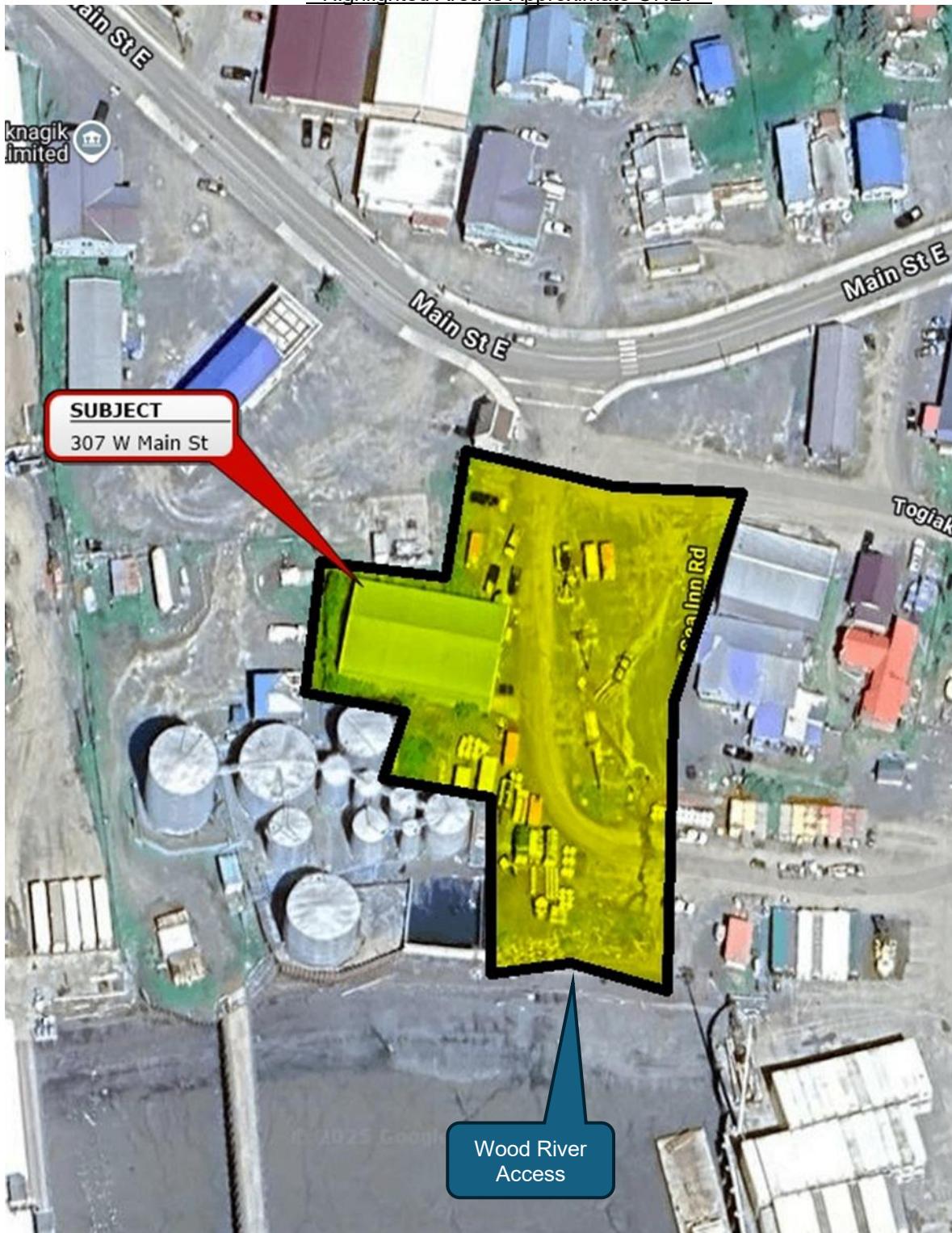
Current trends indicate persistent challenges for Dillingham's workforce and population dynamics, mirroring broader Alaska patterns of rural outmigration and an aging demographic shift. The labor force totals about 1,052 individuals, boasting a high employment rate of 95.1% and a low unemployment rate 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

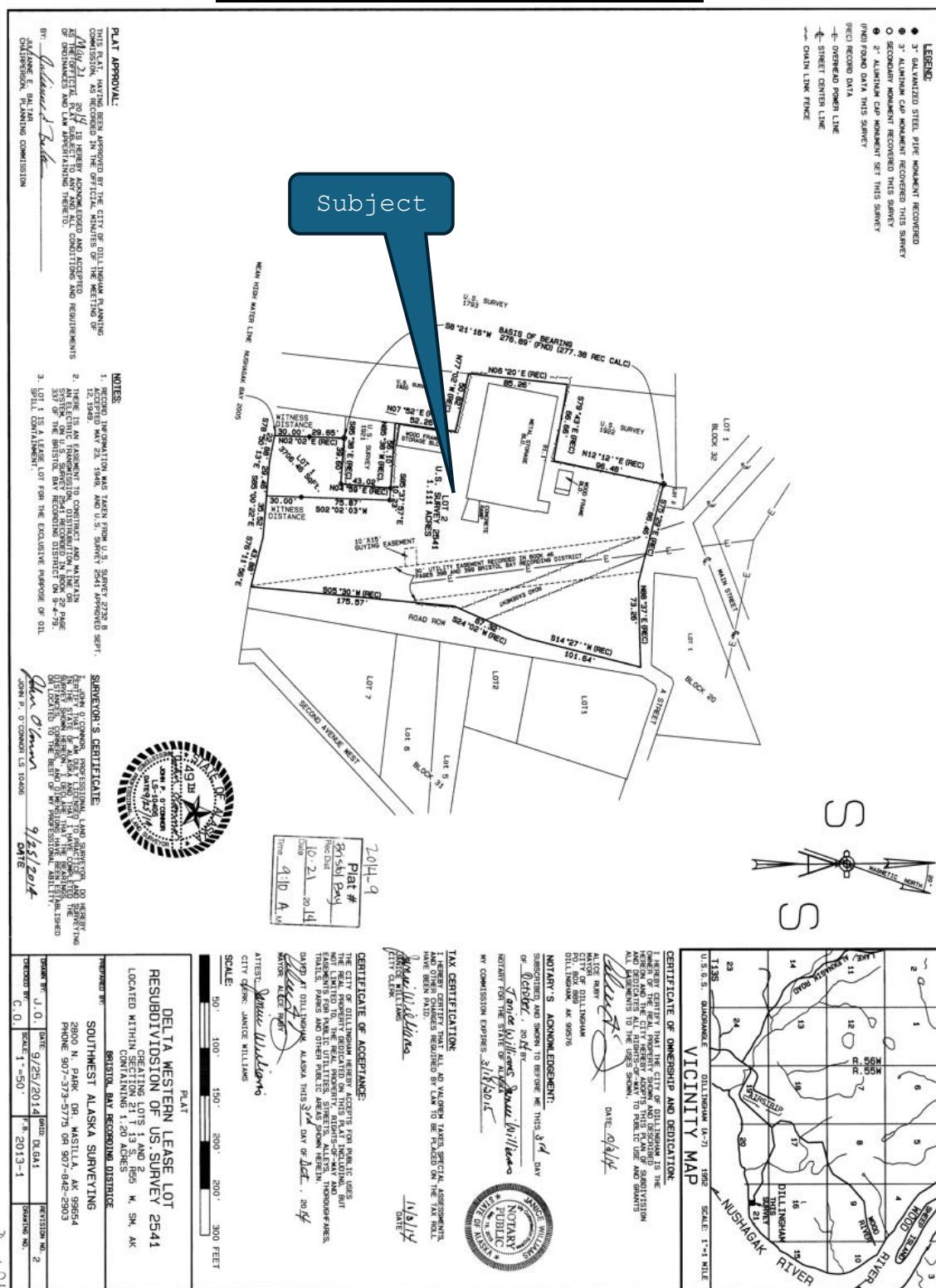


Aerial Downtown Dillingham

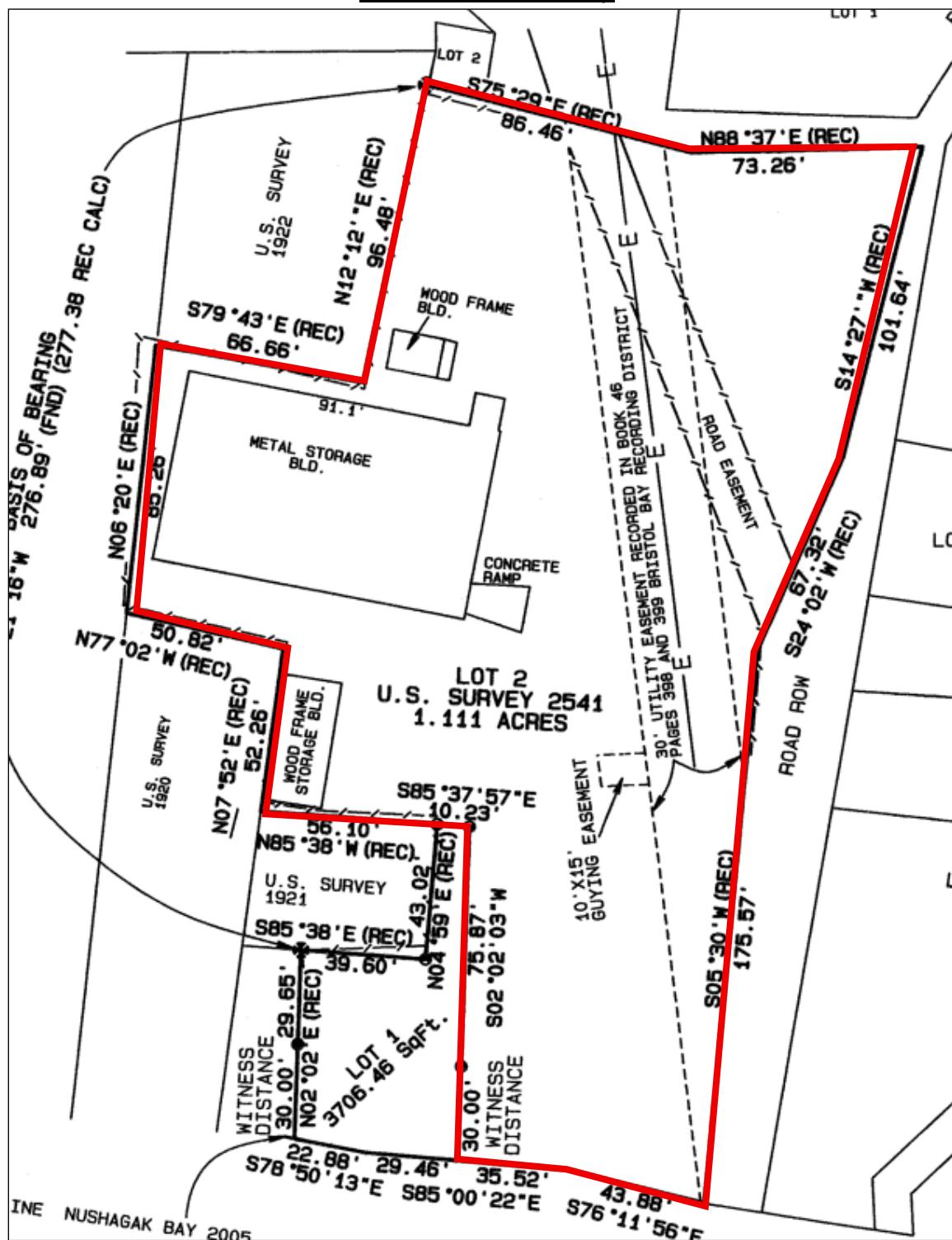
Highlighted Area is Approximate ONLY



Plat 2014-9 Bristol Bay Recording District



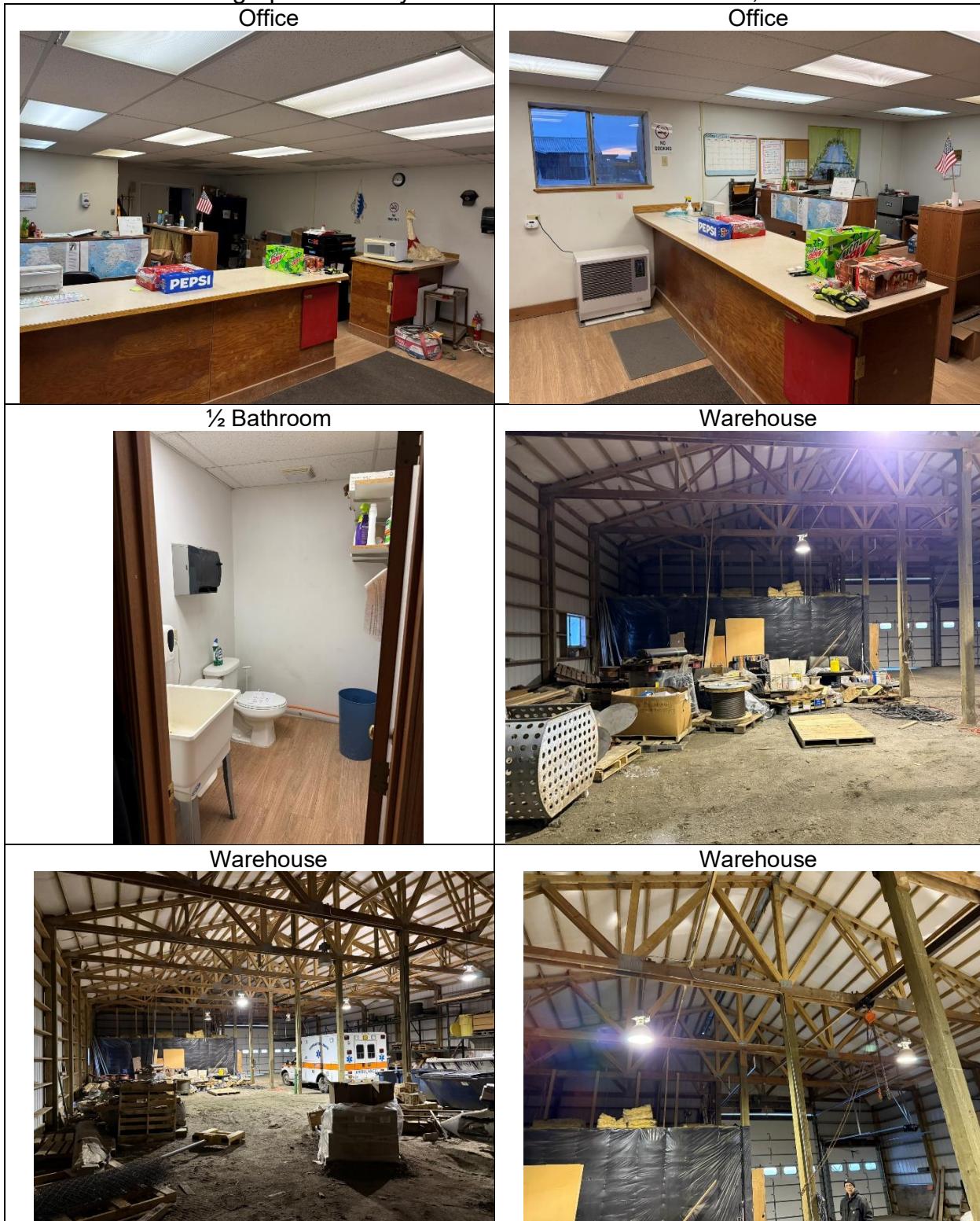
Plat 2014-9 Close-up



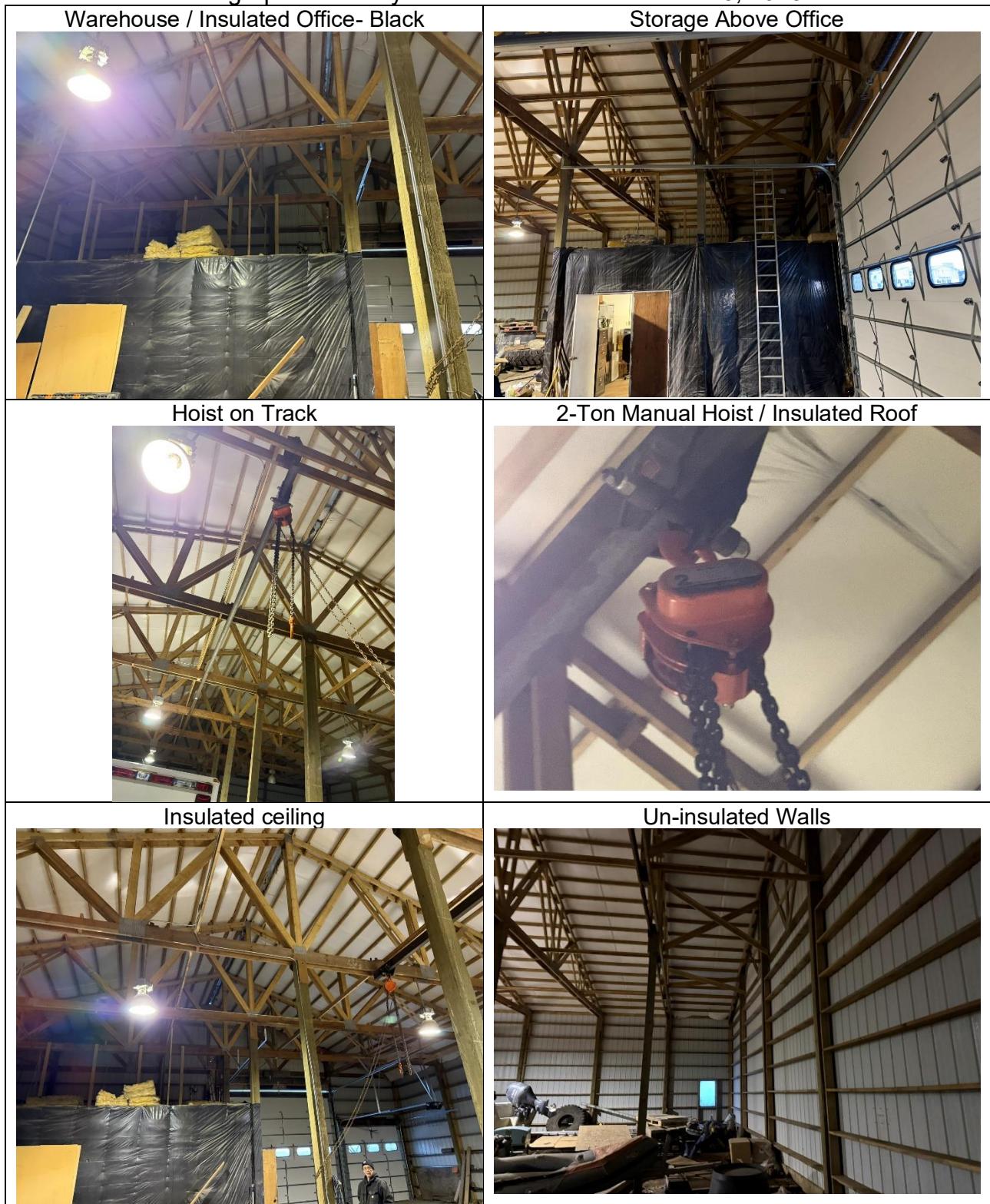
SUBJECT PHOTOGRAPHS
Photographs taken by Reed Whitmore November 25, 2025

<p>Exterior – Northside W/ Arctic Entry</p> 	<p>Exterior – Northside – Fuel Tank/ Electrical</p> 
<p>Warehouse Front/ East Side</p> 	<p>Overhead Door not Flush with Gravel Entry</p> 
<p>Interior Arctic Entry / Office</p> 	<p>Interior Arctic Entry / Exterior Door</p> 

SUBJECT PHOTOGRAPHS
Photographs taken by Reed Whitmore November 25, 2025



SUBJECT PHOTOGRAPHS
Photographs taken by Reed Whitmore November 25, 2025



307 Main Street, Dillingham – Warehouse Property

Site Characteristics

This mixed-use commercial office / warehouse sits on 1.11-acre site located in the core downtown Dillingham area, with Main Street frontage & access and direct water / river frontage on the Wood River – very favorable attributes. The site is located in downtown Dillingham across the street from the main grocery store, a block from City Hall, with other commercial and residential buildings in the immediate area. Good overall access attributes, with direct access off W. Main Street, the main arterial – considered a good location for a mixed-use warehouse. The site is large enough to support the building and outdoor storage areas, with additional outdoor connex storage and parking areas in the front / side of the building and open gravel areas and a road easement on the plat that appears to be secondary to what is used from the view of the Dillingham GIS aerial – overall average curb appeal, with direct frontage and access to the Wood River.

The site is generally level, generally sloping down to the Wood River. The site has city water and sewer, with public electricity and fuel oil used for heating the small office area – all typical utilities for the local Dillingham market. Overall, the site appears to have adequate size and utility for the purpose and provides good proximity and access near the downtown district, schools, airport, businesses, and houses in the community, having good access to the river / ocean, with beach parking on the lot and legal access through the neighboring lot to the east that has a better (commonly used) riverbank- also owned by the City. (For details / visual, see the Dillingham Map on Page 4.)

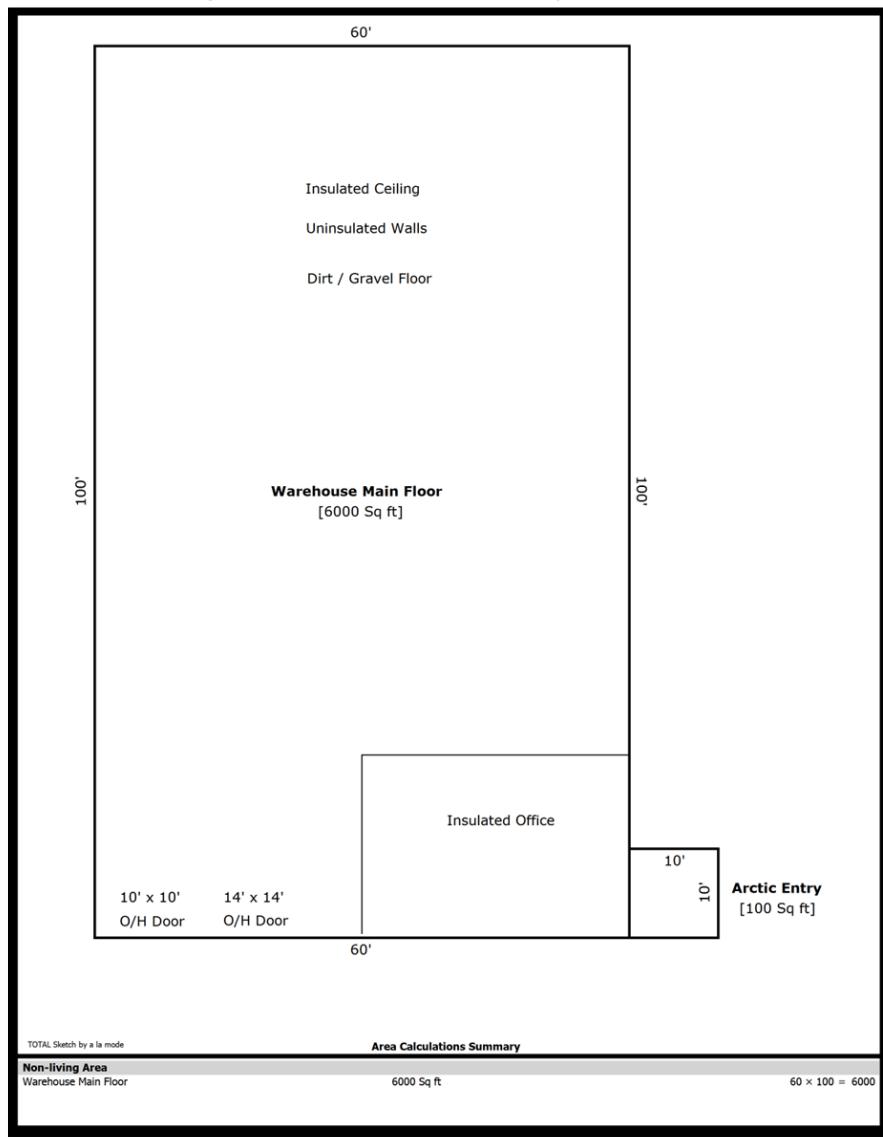
Improvement Description & Characteristics

The subject is located in the town center area, with good access off W. Main Street. No documented construction history was found yet a long-term city maintenance employee recalls the building being constructed in the late 1970's. The building consists of a rectangular-shaped mixed-use warehouse building totaling approx. 6,000 SF (60' x 100') on concrete footers, but the warehouse area has only gravel floors – no slab area. The building was constructed as a mixed-use warehouse with an interior 20' x 30' insulated office area (600 SF). The warehouse area has a dirt / gravel floor, stick and frame construction, with uninsulated walls and a pillow insulated ceiling with no heat source and fluorescent lights. There is a manual, 2-ton hoist with a rail system in line with the main overhead door. The building has metal siding and a metal roof with primary access through the arctic entry to the office on the north side with east access provided by two overhead exterior doors, (1) 14' x 14' and the other 10' x 10'. Very basic overall design and interior layout.

The 600 SF (20' x 30') office is open with a ½ bathroom that includes a utility sink. The office is finished with sheetrock walls, wood casement windows, a drop ceiling with fluorescent lights, laminate flooring and a built-in reception counter. The office entrance is through the 10' x10' uninsulated arctic entry with a concrete slab floor, which we assume is under the entire office area. The heating system consists of an oil stove /

space heater (Toyo style) - fed by an external exposed oil tank – assumed to be in operable condition. The subject is an average quality and condition commercial warehouse for the community of Dillingham, with an above-average location and overall average functional utility for unheated warehouse space with heated office space. The warehouse is on the middle, western portion of the irregular lot with on-site parking located primarily east of the building. The site is primarily gravel with area for outdoor storage of equipment, boats, or connexs. The property layout is conducive to the exchange in transporting goods via water and the road system, with the warehouse as a receiving and distribution center. 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 – 6,000SF (approx. 60' x 100')



Current Rent Analysis and Discussion

The subject is not currently leased. Discussion with City of Dillingham representatives indicate the current tenant / user wishes to lease the building and site in the future, and it is our intention to provide the client with the most probable market value lease rate for a potential lease.

Market Rental Analysis and Discussion

At your request, we are providing a **market rental analysis** of the subject property located at 307 W. Main St., owned by the **City of Dillingham** to determine a fair market rental rate for the purposes of leasing out the space and 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 (triple net 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 warehouse / 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 warehouse 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 warehouse / office space, considered adequate to provide a reliable market rental range for the subject building. Locally we have discovered some warehouse / office space near the subject in Dillingham, and mixed-use hangar / office buildings in the Naknek / King Salmon area – (competing market) 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 potential 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 lease (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 market lease 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. The subject does not have a rental history and has been used by the City of Dillingham and Alaska Marine Lines. The City has been in alliance with Alaska Marine Lines, and this shipping company has had use the facility to store and distribute goods. There have been discussions with Alaska Marine Lines renting this facility - a potential intended outcome of this analysis is to establish a market rental rate for a future long-term lease. Market rental data has been found within the community and neighboring coastal communities with similar economies – providing data for analysis and conclusion of a market rental rate.

Dillingham Mixed Use Warehouse / Office Space - Conclusion of Market Rent

We have analyzed a total of 5 leases of similar style / type / size/ quality / condition / utility of use mixed-use warehouse / office areas in competing rural communities statewide ranging in size from 1,300 SF to 6,000 SF – bracketing the subject's size and use attributes, in an effort to analyze and consider the most similar, most applicable comparable rentals. These leases have allowed us to estimate the most probable market value rental rate for the subject's warehouse / office space – totaling **6,000 SF**. We have also considered the additional land / site area which has the ability to be used for storage / support, as well as the road / river / ocean access. All of the reported rental rates 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 triple net leases** based on actual & historical costs from actual variable costs experienced by similar mixed-use warehouse / office space in competing markets – providing good data for support of leases similar to the subject.

In western Alaska, and other remote coastal areas of Alaska, the **overall adjusted range of mixed-use warehouse / office space market rental rates analyzed is \$0.70/SF/mo. to \$1.60/SF/mo.**, with an overall unadjusted **average of \$1.10/SF/mo.**, depending on the location, quality, site attributes, and utility of the buildings, with the higher end having mixed use areas for offices / retail and living quarters and the low end providing more basic warehouse / storage areas for basic dry / cold storage. These rental rates are also supported by hangar / storage rental comparables we have reviewed / analyzed, with most in the \$1.00/SF +/- range. The subject has some basic attributes with un-insulated walls, gravel floors and older age / average condition, somewhat offset by the interior office area and large site with a good location and direct access to the port / Wood River and specific location within the downtown Dillingham area. The subject has a good

location, road and river access that create upward rental rate pressure, with average quality and condition small office space, basic non-heated warehouse area (5,400 SF) putting downward pressure on value. In summary, the offsetting attributes warrant a **concluded market rental rate near the mid-range at \$1.10/SF** for the 6,000 SF building.

Final Reconciliation & Conclusion of Market Rent – 307 W. Main Street

Considering the good location in downtown Dillingham with good road and direct water access (Wood River/ Bristol Bay), specific site attributes including central location with large site including downtown utilities, somewhat offset by the average quality and condition and basic dry storage nature of the unheated / uninsulated warehouse with dirt floors, but considering the office area, the subject falls slightly above the mid-range of the market rental rates of similar type properties.

In conclusion, the most applicable rental rate range concluded for 307 W. Main St.– 6,000 SF Mixed Use Warehouse / Office Building, considering the buildings characteristics is **\$0.90/SF/ mo. to \$1.20/SF /mo.**, with the **most probable rental rate above the mid-range at \$1.10/SF/ mo.**, with the tenant paying taxes, insurance and all utilities (variable costs).

Range: \$0.90 / SF/ month x 6,000 SF = **\$5,400 / month**
 \$1.20 / SF/ month x 6,000 SF = **\$7,200 / month**

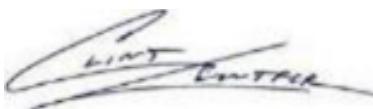
Most Probable Market Rental Rate:

\$1.10 / SF/ month x 6,000 SF = \$6,600 / month
\$79,200 – 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

Addendum

Riverfront Area



QUALIFICATIONS OF APPRAISER

CLINT H.A. LENTFER, MBA, SRA

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

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