



## Kensington Community Services District

DATE: February 12, 2026

TO: Board of Directors

SUBMITTED BY: Director Jim Watt

ASI PREPARED BY: David Aranda, Interim General Manager (IGM)

SUBJECT: Review of the estimated cost of a Kensington Police Station in Kensington Park and Determine Whether to Proceed with Further Financial Analysis for the New Police Station

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### RECOMMENDATION:

It would be helpful for Director Watt and the public to have the board provide a clear consensus on the timing to pursue financial and other logistical issues for a new police building.

### BACKGROUND:

Please find a report by Director Watt with some attachments regarding the preliminary work that was done to determine the feasibility of constructing a police station on the Arlington on District park property. Director Watt will provide a verbal overview of his report.

As the IGM has been involved in this project, I would like to make the following comments:

1. It was my understanding that the KPPCSD board was going to wait to pursue this until a new General Manager was in place and the ability to have a full strategic planning session could be held.
2. The District has an agreement with the City of El Cerrito for use of their property through August of 2027 with an option to extend that for an additional two years.
3. I continue to check from time to time to see if any possible commercial space becomes available for sale that would be conducive for a police building.
4. The Police Department is functioning at an efficient level at the current location and monthly reports by the Police Chief provide accurate information as to the time and patrolling Kensington police provide in the community.

### EXHIBIT(S):

- Report from Director Watt

**Review estimated cost of a possible Kensington Police Station in Kensington Park and determine whether to proceed with further financial analysis for a new police station**

**overview**

At the November 2025 KCSB Board meeting the board agreed to consider individual capital expenditures prior to a review of other capital projects. The most important capital project that needs to be discussed is whether to build a police station in Kensington Park. As explained below, if the Board decides to build a new police station in the park the costs will be significant and likely prohibit consideration of other capital projects for a number of years.

A year ago, at the KPPCSD January 2025 meeting, the Board discussed estimated costs for a 3,000 sq. ft. police station layout in Kensington Park designed by Studio Meyers Architects with a cost estimate prepared by Mack5 – as shown in the following attachments. This analysis estimated a project cost of \$9,757,000, but excluded several critical components. These included the need of a traffic signal (est. \$500,000); additional seismic studies beyond the area previously studied (est. \$60,000); architectural design and engineering (\$700,000); legal and financing costs (\$500,000); Construction management fees (\$400,000); 2-year cost escalation beyond 7/26 of 10% (\$1,000,000). These additional costs would bring the total project cost to \$12,917,000, exclusive of debt financing.

The current available cash of the combined Boards is about \$1.0 million from the KPPCSD and \$3.0 million from the KFPD. Financing the balance of \$9,000,000, assuming a 6.5% annual interest rate, will cost \$730,000 annually for a 25-year mortgage. This would need to be funded by a \$350 annual property tax increase requiring approval by two thirds of Kensington taxpayers. Although we expect to have a \$600,000 surplus in our 2025/2026 annual budget, expenditure are outpacing reserves leaving little if any money for additional capital projects. These cost estimates assume three critical assumptions; 1) that a satisfactory design/layout of a police station is accepted at no additional increase in cost; 2) That loan rates in the next two years will not increase above a 6.5% rate, and; 3) That there will not be an economic downturn that would significantly affect CalPERS available assets for employee benefits requiring larger contributions from available District cash.

**Other factors to consider**

Kensington has operated from its El Cerrito police station location for about 4 years. This station is used by the chief and staff, and is very commodious with ample vehicle parking. This location has not affected crime rates or emergency response times and there are two police officers on patrol throughout Kensington 24/7.

The El Cerrito location is on property owned by El Cerrito, with a lease to August 31, 2027 and a right to extend the term every two years subject to El Cerrito's reasonable approval. The 24-25 El Cerrito annual fee was \$12,000 with 5% annual increases to 2027. If a decision is reached to leave the Kensington police department in El Cerrito then a new agreement should be negotiated with El Cerrito for a term of 20 years with several 5-year options.

In addition, the police pay separately for the use of the modular police building at a cost of approximately \$52,000. If a decision be made to keep the police headquarters in El Cerrito Kensington should attempt to own the facility free and clear at a possible cost of about \$200,000.

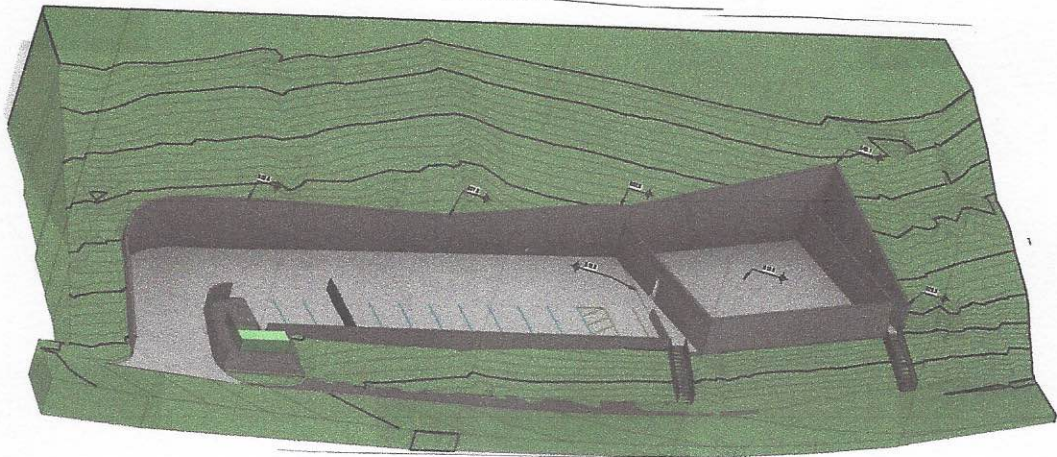
### **Conclusion**

A new Kensington police station will be very expensive, require voter approval for a new property tax increase and deplete available reserves such that few, if any, Kensington additional capital projects can be undertaken.

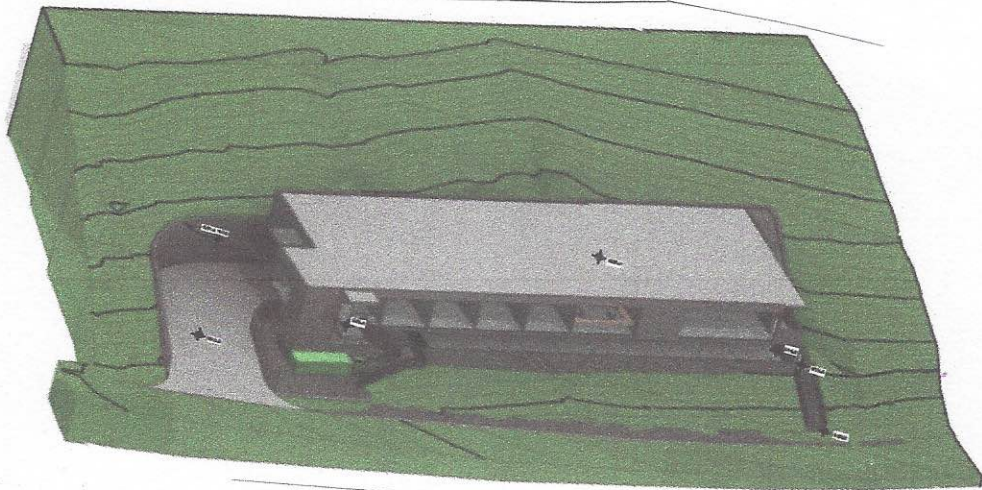
Because the current El Cerrito location appears to be working satisfactorily, and there are many other Kensington capital projects that are important to consider and implement, it is recommended that we continue to operate our police department from El Cerrito.

Jim Watt

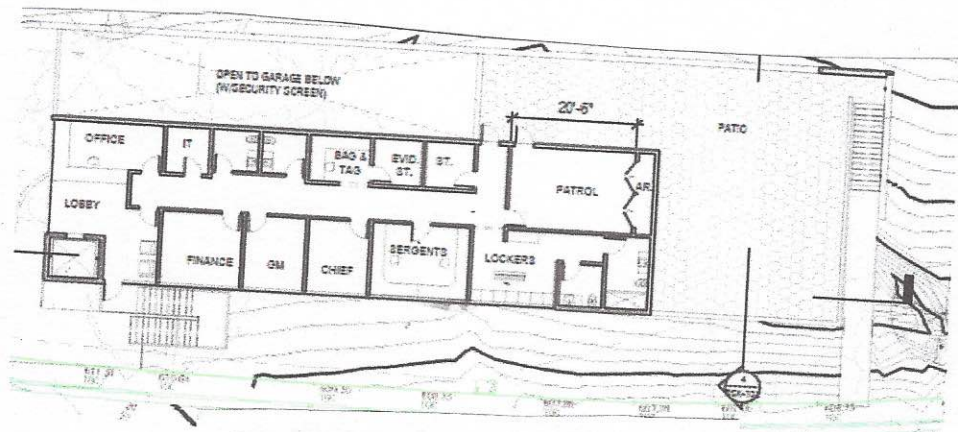
# Assumed police station layout



**Parking First floor**



**First and second floors**



**Layout of second floor**

## items used for cost estimate

drawing civil drawing prepared by KSR Civil Engineer, dated 10/30/2024  
architectural floor plans and sections prepared by Studio Miers|Chou|Poon, dated 10/18/2024

## assumptions

- (a) Construction will start in July, 2026
- (b) A construction period of 9 months
- (c) The general contract will be competitively public bid by a minimum of five (5) qualified contractors
- (d) The general contractor will have full access to the site during normal business hours
- (e) There are no phasing requirements
- (f) The contractor will be required to pay prevailing wages

## exclusions

- (b) Cost escalation beyond a midpoint of December, 2026
- (b) Loose furniture and equipment except as specifically identified
- (c) Compression of schedule, premium or shift work, and restrictions on the contractor's working hours
- (d) Soft Cost such as testing and inspection fees, architectural design and construction management fees, assessments, taxes, finance, legal and development charges
- (e) Scope change and post contract contingencies

COSTS NOT INCLUDED