



Date: February 10, 2022  
To: Board of Directors  
From: Rick Benson, Interim General Manager  
Subject: District Relocation

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**Recommendation:**

It is recommended that your Board a) review and consider the various options for relocating the district facilities; b) invite and consider public input and; c) provide staff with direction for actions to be taken in the future.

**Background:**

One of the most pressing issues facing the KPPCSD is the need to identify and then execute a move to a new location. This became necessary when the Kensington Fire Department made the decision to upgrade the Public Safety Building on Arlington Avenue and determined that they could no longer accommodate the CSD and the police staff.

Upon being informed that the Fire Department Board had made this decision, your Board began the process of exploring options to assure that the Police Department and other staff would be able to find a suitable location in order to continue serving the community. Initially, your Board made it known that the preferred course of action would be to identify a solution allowing Police and CSD operations to remain at the current location, since the prospect of moving was and is a significant and extremely costly change to the status quo. The Fire Board has maintained their position that this is not a viable option.

For over a year the KPPCSD has been addressing the issue. Unfortunately, given the nature and constraints of Kensington, there are not many viable options. Therefore, as of this time, the district has not found a new home.

**Discussion and Analysis:**

Listed below are some of the alternatives that either have been or are currently being considered but are not likely replacements for the current offices.

**Narsai's Restaurant Building.** This building was reviewed and determined not to be ideal for the District needs. It is also doubtful that a suitable arrangement can be made with the owner. The formerly vacant lot near the site was also considered, however, construction activity was recently initiated at that location.

**County Parking Lot.** There is currently a parking lot at Covington & Ardmore. This County owned site. It is probably too small for the District's needs.

**East Bay Municipal Utility District Property** Located at Berkeley Park Boulevard and Lexington Road, there is space available on the grounds of the San Pablo Water Treatment Plant at 300 Ocean View Ave. This site provides enough area for all parking and building needs. It is a long shot in that it is unlikely that EBMUD will be interested in leasing a portion of their property. This option has not been fully pursued.

**268 Arlington Avenue.** This building could be adapted to meet the needs of the District, however, the property is currently not available. The owner was approached and is not interested in selling.

**Other Existing Properties.** The District could also attempt to purchase a currently occupied residential site. This would require demolition of a structure and placing a new district building at the location.

As a public entity, KPPCSD has the ability to initiate eminent domain proceedings to acquire a property. This would be an extreme measure and is not currently under consideration.

### **Options Currently Under Consideration**

After reviewing the previously noted possibilities the District appears to have a narrow range of viable choices. Both of which warrant further review.

**303 Arlington Avenue.** This commercial building located behind the hardware store could be adapted and, in many ways, is a viable option. Based on reviews by experts, the building is structurally sound. It is large enough to serve the District's needs.

There are, however, some constraints which need to be considered. Although not deemed absolutely necessary, in order to provide safety assurances in the event of an earthquake several seismic improvements have been recommended. These improvements come at a cost approaching \$500,000. In order to modify the building to provide for a functional Police Department other tenant improvements of approximately \$800,000 are necessary.

The District has been in negotiations with the owner of 303 Arlington. Although it was the original intent to rent the building, given the costs of the potential improvements, the District approached the owner regarding the possible sale of the building. This week the offer to buy the property was declined by the owner. Discussions regarding renting the building are still ongoing.

**Community Center/District Property.** The land surrounding the Kensington Community Center is also considered a viable option. There are numerous scenarios at that location which could serve the purposes of providing for the Police Department and District Offices. These options include, but are not limited to:

- Remodeling the Annex building.
- Demolishing the Annex building and replacing it with either a newly constructed building or a modular building.

- Placing modular offices at some other site on the property.
- Utilizing Building E and providing for a new location for the Kensington Community Council.

It should be emphasized that none of these options have been fully explored.

**Fiscal Impact:**

As noted, the cost of modifying the building at 303 Arlington is estimated to be approximately \$1.3 million.

The raw cost of a fully functional modular building is expected to be approximately \$800,000 plus design costs, site preparation costs and whatever costs are necessary to provide for utilities. Once again, \$1.3 million is a working estimate.

Costs incurred on property owned by the District or the cost of acquiring property itself lends itself more readily to financing options. Financing improvements on a building not owned by the District, while not implausible, would be more difficult.

Previously, the Board of the Fire Department has expressed some willingness to assist KPPCSD in defraying some of the costs associated with the move. However, no specifics have been offered and much of the fire district funds availability are contingent upon their success in qualifying for a grant and the ultimate cost of their move. They will be experiencing costs exceeding \$1 million for a temporary location to house their operations while the current building gets remodeled.

The KPPCSD is in a position to absorb from \$800,000-\$1 million in relocation expenses. Anything beyond these amounts will require consideration of outside financing and/or a review of possible adjustments to the tax rates, subject to voter approval.