



KENSINGTON FIRE PROTECTION DISTRICT

DATE: May 12, 2021

TO: Board of Directors
Kensington Fire Protection District

RE: **Agenda Item 4b**
Lease Negotiations and Options – Progress Update

SUBMITTED BY: Bill Hansell, General Manager

Recommended Action

Accept Report. Discuss and Direct Staff as needed.

Background

Following the KFPD Board's directions in the April 14, 2021 meeting, I spoke with the KPPCSD General Manager to confirm my interest in discussing the space needs of the Police Department. Based on what was stated at the April 8, 2021 KPPCSD Board meeting, I anticipated that the KPPCSD would hold a special meeting to appoint General Manager Marti Brown to be lead negotiator, which would then allow us to proceed appropriately. Unfortunately, that meeting never materialized so I have no progress to report.

Unable to confer on suggested space solutions I presented to you in April, I sent the attached letter to KPPCSD Board President Hacaj on May 6, 2021 to confirm the request to meet. I am hopeful that actions will be taken at the KPPCSD Board meeting on May 13, 2021 that will allow us to move forward.

Fiscal Impact

Not determined at this time.



Kensington Fire Protection District

Board of Directors
President Larry Nagel
Vice President Kevin Padian
Don Dommer
Janice Kosel
Julie Stein

Date: May 6, 2021

To: President Sylvia Hacaj
KPPCSD
shacaj@kppcsd.org

From: Bill Hansell, General Manager
Kensington Fire Protection District
217 Arlington Ave
Kensington CA 94707
Email: bhansell@kensingtonfire.org

Re: Request for Facility Discussions to Start

Dear President Hacaj,

I am following up on the approved motion by the KFPD Board of Directors in our April 14, 2021 meeting regarding Lease Negotiations and Options. As you know, I was appointed lead negotiator so that subsequent proposals may be brought to the KFPD Board. The recommendation noted the intent is *“to negotiate the KPPCSD lease-end transition in a manner that best supports the continuing needs of the public services provided by both the Fire and Police Departments to the residents of Kensington.”*

It also explained the lease history with the KPPCSD, referenced renovation estimates including “Temporary Facility” costs, and identified current lease options at 303 Arlington Ave. It assumed there are other options and alternatives to investigate during facility planning phases over the coming months.

It was stated at this meeting, and referenced previously by board directors and myself, that some form(s) of financial assistance should be explored and I want to emphasize that point again. My introduction to the recommendations stated:

- *Proposing rental options to accommodate the Police Department with the support of the KFPD.*
- *Negotiating on KFPD leasing, sub-leasing, for both short-term or long-term space required by KFPD and/or KPPCSD to benefit the whole community.*

I believe the form and extent of financial support to be completely dependent upon the nature of the specific facility options, so it is difficult to provide more detailed proposals in a vacuum. Since our board meeting, I have been unable to engage further on any possibilities as the KPPCSD has not designated or empowered a counterpart I can talk to. Therefore, I am writing to you to repeat the sincere offer to work on this problem jointly and to ask who your representative will be.



Kensington Fire Protection District

As an example of the anticipated negotiations, I will note a significant point about KFPD space needs that has been stated but repeatedly disregarded in the recent public discussions: The PSB has not had space for our administrative offices since 2019 and none of the joint occupancy plans investigated last year provided for that space. In our August 27, 2019 Finance Committee meeting and September 9, 2019 Board Meeting, the prior Interim General Manager presented memos describing possible lease options to fill that need. At the time, the available rental spaces considered ranged up to 1,200sf in order to fit “three workstations, copier/workspace, a conference/meeting room for seven or eight, and convenient location in close proximity to the PSB.” Our need for that square footage is in addition to the deficient square footage problems described in both the January and March staff reports. As I stated last month, this is not a problem of a “couple hundred square feet”. KFPD needs more space and there are many ways that can be accomplished, all of which should be considered as part of the negotiations and which may facilitate financial aid mechanisms for the greater good of both agencies.

It is clear that no matter what the final configuration of the facilities are, there will be a period of construction during which both agencies will have to move out. My current assumption is that will be around the first quarter of 2022. If approved by our board, construction will probably last the better part of 12 months depending on the final design scope. While there is limited time to investigate, discuss, and negotiate alternatives, it will surely fly by. Planning, permitting, and construction of the interim space itself will have to conclude prior to the move. Therefore, time is of the essence.

One additional note, construction costs have escalated more dramatically in the last six months than I have ever experienced during my 30 years in the industry. A recent public project for my local CSD received five bids all within 10% of each other that were 3.5x the estimated cost of the project when it was initially planned four years ago. The backlog of materials, labor shortages, and escalating prevailing wage pricing is not expected to change. We will soon face related issues with the rental market regardless of whether the intention is to rent short-term or long-term, so all the more reason to consider options as expeditiously as possible.

I look forward to hearing from you and moving the dialogue forward.

Sincerely,

A handwritten signature in black ink that reads "Bill Hansell". The signature is written in a cursive, flowing style.

Bill Hansell
General Manager

Cc: KPPCSD GM Marti Brown