

Kensington Police Protection & Community Services District

Date: April 17, 2023

To: Board President of the Kensington Fire Protection District

From: Board President Alexandra Aquino-Fike

Dear President Stein:

The Kensington Police Protection and Community Services District (KPPCSD) is in the process of evaluating options to ensure (i) the Kensington Police Department (KPD) return from their temporary quarters in El Cerrito to Kensington and (ii) administrative space for the District is secured in Kensington. Among the options we are seriously evaluating is some configuration of KPPCSD functions in the newly renovated Public Safety Building (PSB) upon its completion.

Our intensive research with various stakeholders and experts, including current and prior Kensington police chiefs, other local current/retired police chiefs, attorneys and bankers experienced in commercial lending, and special district experts, among others, has given us various data that we are still in the process of evaluating.

Simultaneously, with the help of our new Interim Manager and external accounting firm, we are in the process of evaluating the district's finances and have uncovered various issues that must be addressed. This process will take some time and will have important implications for the location of KPD. We cannot commit to any permanent location for the KPD at this time given the serious questions we have about the District's financial situation.

We are acutely aware that the voters who elected us expect us to thoroughly consider the possibility of joint occupancy. At the same time, we are also acutely aware of various uncertainties, including the increasingly tight capital markets and the financial situation of both districts, which could have a real impact on the feasibility of joint occupancy.

Therefore, the KPPCSD respectfully requests that KFPD consider offering the KPPCSD the option to lease the first floor in perpetuity once construction is complete, with a monthly rent amount to be negotiated at the time the option is exercised. In addition, should it become necessary for the KFPD to expend unplanned monies to accommodate this request, please let us know and I will bring this to our board for consideration.

To be clear, the KPPCSD is not requesting any changes to the current design and construction timetable as approved by the KFPD. We encourage the KFPD to proceed with their plan as

scheduled.

We believe that creating additional time before a final commitment to the first floor of the PSB will allow both KPPCSD and KFPD to get a clearer picture of financial and operational considerations. Should the KPPCSD decide to lease the first floor by the deadline, it will have a clearer understanding of which district functions go into this space. The KPPCSD is not making any final determinations as to which District functions would be housed in the PSB at this time.

We would appreciate your final decision on the KPPCSD's request for an option to lease the first floor of the PSB by May 31, 2023. The KPPCSD would be required to provide its final answer on the option to lease no later than ninety (90) days prior to the construction completion deadline as understood by the KFPD and its general contractor.

Lastly, please note this letter on behalf of the current KPPCSD board of directors, supersedes the letter submitted on May 19, 2021, by Marti Brown, KPPCSD's then general manager, on behalf of the then KPPCSD board, to Bill Hansell, KFPD's then general manager.

We look forward to your answer to our request and continuing to work together to build a unified Kensington.

Respectfully,

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Alexandra Aquino-Fike

President, Board of Directors

Kensington Police Protection and Community Services District