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Reference: BS12/800 / 990878

Date: July 5, 2012

Department of the Army United States of America
United States Army Installation Management Command
Europe Region
attn. Mr. Gaelen C. Daly
Zengerstrasse 1
69126 Heidelberg
GERMANY

Dear Mr. Daly,

The City of Rotterdam does indeed regret the decision, indicated in your letter of 9 May 2012, to relocate the SDDC 598th Transportation Brigade to Germany and consequently, to annul the lease contract. It is very disappointing that years of hard work and dedication to the project have come to such an unfortunate end, particularly when considering the experience during the past year.

The City of Rotterdam appreciates that you now need to plan your way ahead. Hence, it is proposed that pending issues are settled as soon as possible and, more specifically, to come to terms on the reimbursement of expenses incurred by the City of Rotterdam relative to the project. Though superfluously, a copy is attached of an email to the Mayor of Rotterdam by the (former) U.S. Ambassador, assuring that "the U.S. government will reimburse the City of Rotterdam for incurred expenditures" (Encl. 1).

Data have been collected pertaining to expenditures incurred by the City of Rotterdam as a direct result of the cancellation of the project, amounting to a tentative total of € 4,650,850. A breakdown of these expenses is attached (Encl. 2). The City of Rotterdam is prepared to provide further information when requested (POC for this purpose is Mr. L. Prinsenberg).

It is expected that remaining issues be settled in the same constructive spirit that has continuously marked your cooperation with the City of Rotterdam.

Sincerely,

Hamit Karakus,
Alderman Housing, Spatial planning, Real estate and Urban Economy

BD-B-01-BAW

Enclosure 1 Email U.S. Ambassador

Van: Hartog-Levin, Frederique I [mailto:Hartog-LevinFI@state.gov]
Verzonden: woensdag 27 april 2011 11:05
Aan: Aboutaleb A. (Ahmed)
CC: Nolan, Edwin R
Onderwerp: Relocation of 598th Transportation Brigade

Dear Mayor Aboutaleb:

As much as it pains me to interrupt your vacation, I must advise you of some important changing circumstances as soon as possible. I had hoped to talk to you about this, but when I called your office yesterday, we were informed that you would be away for two weeks. I have learned this morning that this matter will not wait two weeks.

Due to a variety of changing circumstances, involving operational, security and economic factors, the U.S. government has decided that it will not relocate its SDDC (otherwise known as the 598th Transportation Brigade), currently located in Cappelle aan Den Ijssel, to Rotterdam. The SDDC will instead be relocated to Germany.

I am aware that this decision will have an impact on the City of Rotterdam and for that reason, wanted to discuss this with you in person. However, after informing the Ministry of Defense, I learned that the MOD intends to go public with this information quickly, even though we had contemplated and requested sufficient time to inform all affected parties (including our own employees). You are the second person with whom we wanted to share this information.

The U.S. government will reimburse the City of Rotterdam for incurred expenditures to date related to our previous agreement.

We will comply with all relevant Dutch labor laws as applicable to those Dutch employees who will be offered jobs in Germany but choose not to go. At the current time there are 66 Dutch employees, of whom 44 will be offered jobs in Germany and 22 will be retained for operations in Rotterdam.

The move is expected to begin this summer and be completed by mid-2012.

Please feel free to call me at any time to discuss this matter. I regret that I have had to provide this information in this manner.

Very truly yours,

Fay Hartog Levin
Ambassador

Embassy The Hague
Lange Voorhout 102
2514EJ Den Haag, NL

011-31-70-310-2318

SBU
This email is UNCLASSIFIED

Enclosure 2 Expenditures relative to SDDC Project (Toepad, Rotterdam)

Breakdown:

1. Land survey / site preparation		€ 791,539
2. Advisors, architect, et al.		€ 894,442
3. Internal costs		€ 290,273
4. Fees		€ 129,020
5. Redesign		€1,210,000
6. Direct costs of third parties		€ 393,976
7. Interest		€ 127,530
8. Unforeseen costs to be incurred		€ 189,670
	Subtotal	€4,026,450
8. Salvage		- € 435,600
	Subtotal	€ 3,590,850
9. Third party claims		€ 1,060,000 *
	Total	€ 4,650,850

* This amount may be less depending on whether or not third party claims must be awarded.

4 July 2012

BD-8-02