
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: BOYD
SUBJECT: FYI: VICKSBURG CHEMICAL PLANT
DATE: OCTOBER 22, 2002
CC: RENICK

As you'll recall, Vicksburg Chemical has filed for bankruptcy protection in the Southern District of New York. With that protection DEQ/EPA have been given operational authority of the plant and its wastewater treatment facility. A portion of Vicksburg Chemical's property is highly contaminated with Toxaphene and Arsenic, so much so that stormwater must be treated to contain the environmental damage.

DEQ also has the authority, under the Bankruptcy court order, to require Vicksburg Chemical to sell the property to anyone they designate. As reported in the Clarion Ledger today, a number of chemical companies have expressed interest in the property, as well as the City of Vicksburg. Because a portion of this property is riverfront property, a couple of **casino interests** have approached DEQ about purchasing the property. DEQ is in a holding pattern on the sale of the property.

I have **some serious concerns** about the state selling the property to casino interests. You have taken a position not to support gaming and not to take campaign contributions from casinos. Should the DEQ receive an acceptable offer from a casino, you could be placed in an untenable position.

DEQ will likely seek proposals from the sale and maintenance of the property within the next 3 months. DEQ will need to review not only the purchase price, but also the mitigation and maintenance plans for the site to determine the best value for the state.