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Final agreement reached for environmental clean-up and remediation efforts at historic Basic Magnesium Inc. (BMI) complex

Landmark agreement is culmination of cooperative effort among Nevada Division of Environmental Protection and current and former BMI land owners and operators

HENDERSON, Nev. – The Basic Magnesium Inc. property that once played a pivotal role in the nation’s history during World War II and is now home to some of the world’s leading manufacturers will undergo environmental clean-up efforts in the coming months and years, part of a consent agreement signed in late February between the state and current and former BMI landowners and business operators.

The clean-up efforts will be performed on portions of the land known as the Common Areas of the BMI Complex, located in both the City of Henderson and within unincorporated areas of Clark County.

The settlement agreement marks the beginning of the physical remediation activities on the site and is the third and final phase of the project. The first two phases included developing an environmental conditions assessment report and performing a series of environmental studies on the soil and sediment conditions in the Common Areas of the BMI Complex. These areas were disposal areas used by current and former manufacturers at the site as well as other business and governmental operators.

“This is one of the largest reclamation projects underway at this time in the country, and I’m pleased at the progress being made and the commitment by so many to honor the heritage of this historic site,” said Mark Paris, president of The LandWell Company. “We hope this project will become an example of employing the best practices in the area of reclamation and serve as a resource for other areas of the country.”

Henderson-based Basic Remediation Company (BRC), a wholly owned subsidiary of Basic Management, Inc., will lead the clean-up effort and conduct all remaining site studies. All work will be performed under the supervision of the Nevada Division of Environmental Protection (NDEP), which will also establish the schedule and performance standards based on health and environmental goals.

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The agreement governs the process for all site activities including characterization; the screening and selection of remedial actions; the implementation of remedial actions, including long-term operation and maintenance; and all other activities necessary to clean the BMI Common Areas. Testing and clean-up work includes off-site areas, as appropriate.

“I have great confidence that the processes and safeguards outlined in this agreement will ensure a smooth environmental remediation process,” said Brad Burns, president of the Las Vegas Division for Centex Homes, the company that will develop the property. “With this historic agreement, we’re another step closer to realizing a shared vision of developing a new master-planned community for these 2,200 acres in Henderson.”

The companies involved in the agreement include Basic Management Inc., Bayer Crop Science, Montrose, Pioneer, Titanium Metals (TIMET) and Tronox (formerly Kerr-McGee). The combined companies have already spent hundreds of millions of private dollars in characterizing the site. Millions more will be spent, and already, BRC alone has spent \$50 million.

“This site has had a complex past involving many governmental and business entities throughout its 60 years of operations,” said Leo Drozdoff, administrator of NDEP. “I want to commend all the individuals, companies and our own staff at NDEP who worked together to achieve a comprehensive clean-up plan to restore the land in accordance with all applicable environmental laws.”

As work is completed, NDEP may issue No Further Action for Development (NFADs) for portions of the Common Areas that have been cleaned up to satisfactory standards, which can clear the way for eventual residential and commercial development planned for that property. After NDEP approves the final site clean-up, BRC is required to re-evaluate the effectiveness of remediation after five years and again after 10 years following completion. This review is designed to ensure that clean-up activities have been successful over time.

“This agreement outlines a multi-step remediation process that at times will be painstaking and precise – even tedious. But, most of all, I’m confident it will be thorough, and that it will achieve our environmental objectives,” said James Najima, chief of NDEP’s Bureau of Corrective Action, the department tasked with supervising the clean-up.

NDEP is responsible for statewide regulatory programs for the protection of public health and the environment. Program areas include: air quality planning, air pollution control, water quality planning, water pollution control, safe drinking water, hazardous and solid waste management, mining regulation and reclamation, hazardous chemicals, corrective actions, alternative fuels, and federal facilities.

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In November 2004, The LandWell Company and national homebuilder Centex Homes announced plans to develop and revitalize the 2,200-acre parcel of land that will eventually be home to a new mixed-use, master-planned community complete with parks, trails, housing and businesses.

The LandWell Company is an affiliate of Basic Management Inc. (BMI), a privately owned holding company incorporated in 1952 to manage the common assets of the industrial plants located within the BMI complex, the site of a world-scale magnesium facility that played a vital role in World War II. BMI affiliates have provided electrical and water transmission services to customers in the southern part of the Las Vegas Valley continuously for 52 years.

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