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Chemical Plants Buy Up Neighbors for Safety Zone

By KEITH SCHNEIDER, SPECIAL TO THE NEW YORK TIMES

Prodded by lawsuits over pollution and damage claims from a number of explosions, several of the nation's largest oil and chemical companies are spending millions of dollars to create safety zones by buying up the homes around their plants.

Although some homeowners are eagerly grabbing the offers of up to $200,000 for a house, the efforts are coming under growing criticism from environmentalists who say the companies are dismantling communities rather than than dealing with the root problems of safety and pollution.

A quarter of the nation's chemicals and a sizable portion of its transportation fuels are processed in more than 75 large industrial plants along the 85-mile stretch of the Mississippi River between here and New Orleans. Some of the plants are a tangle of pipes and tanks covering more than a square mile. An Assortment of Concerns

Stirred by new medical findings and rising concerns about industrial accidents and environmental issues, Louisiana's river communities are aggressively pressing lawsuits and damage claims that are costing the companies tens of millions of dollars.

"There are some things you just should not mix, including houses near these industrial facilities," said Dr. Paul Templet, the state's top environmental official. While he generally supports the idea of the buyout programs, he said the issue has not yet received enough scrutiny from state officials.

Some of the relocation programs are new, and others are continuations of programs that have been under way for years but are attracting new attention because of accidents or lawsuits. A Variety of Programs

The Dow Chemical Company began a buyout program across the Mississippi River from here last year that could cost $10 million. Five miles south of the Dow plant, the Georgia Gulf Corporation completed a program last year to move 50 families away from its vinyl chloride plant, turning a community founded by freed slaves into a six-acre grove of oaks and pecan trees.

The Exxon Corporation has spent $4 million on a similar progam here in Baton Rouge, and the Shell Oil Company is in the middle of another one down the river. Separate explosions killed two workers last year at the Exxon plant and seven workers in 1988 at the Shell plant, but the companies each say that the purchases of nearby homes began earlier and are not related to the accidents.

Another program is beginning in Ponca City, Okla., where Conoco settled a lawsuit over pollution last July and is preparing to spend $18 million to buy 377 homes along the eastern boundary of its refinery there. Reducing Risk, on Both Sides

The property purchases are defended by company executives as a sensible approach to moving people out of harm's way. A consultant who helps design the programs said that in addition to reducing the companies' legal risk, it is also good citizenship.

Guy S. Barone, a spokesman for Dow's plant at Plaquemine, La., across the river from Baton Rouge, said: "We have a large manufacturing plant and we have operated it safely. At the same time there is a risk of an acute accident and we want to protect people living adjacent to the fence lines."

Michael J. Lythcott is a consultant for Moran, Stahl & Boyer, the New York relocation company that helped design the program in Ponca City for Conoco and Dow's effort in Morrisonville, a small community adjacent to the plant in Plaquemine. He said that relocation was a new trend in the chemical and oil industries and that such programs were being planned in California, Louisiana, Virginia and West Virginia, though he declined to identify the companies involved.

"From a business sense, it is economically sound," he said. "There are potential toxic torts and if there is an accident it has an impact on worldwide sales. It makes sense in putting a program together instead of waiting for an accident, and lives to be lost." He acknowledged that one problem with relocation is that companies cannot "compensate people for emotional attachment to land or their homes." Criticism by Environmentalists

Environmental leaders have criticized Dow's program and several others. "Companies are reducing their problems by moving people instead of reducing accidents and pollution," said Mary Lee Orr, the executive director of the Louisiana Environment Action Network, a coalition of environmental groups based in Baton Rouge.

Property owners are also divided by the buyout projects. Most who sold their homes did not have much in the first place and view the offers as the break they needed to move into new and larger homes. But there is also anguish in some communities as neighbors who have lived together for decades are separated.

Nowhere is this more true than in Plaquemine, along the western banks of the Mississippi River just south of here, where Dow is breaking up Morrisonville, a community of 87 white and black property owners, and 110 homes, that was founded after the Civil War by freed slaves.

Morrisonville is situated on 200 acres along the eastern boundary of the 1,800-acre plant, Dow's third largest. The site is the second for Morrisonville. In 1931 it was moved a mile and a half west after the Army Corps of Engineers refused to continue maintaining the levees that protected the town, then 50 years old, from the Mississippi River.

In May 1989, Dow began a novel program to pay landowners $20,000 an acre, and homeowners at least $50,000, and up to $200,000, to get control of the ground for a safety zone.

Dow also offered a minimum of $10,000 to resettle families who rented homes in the town, and it built a subdivision nearly four miles down river where some of Morrisonville's families could move into new brick homes and establish another community.

Most of Morrisonville's families accepted Dow's offer for their property, but only 12 chose to move to the new subdivision, Morrisonville Estates. Doretha Thompson, 78 years old, said she received $80,000 for her worn wooden house no bigger than a sharecropper cabin, and her move to the subdivision is just weeks away. 'We Didn't Hold Together'

"We didn't hold together like I thought we might," she said while helping friends clean mustard greens just picked from the garden. "Now some are down the river, some across, some in town. White and black are scattering."

Hilda King, 54, Ms. Thompson's neighbor and a lifelong Morrisonville resident, also sold her house to Dow and moved to Morrisonville Estates last month. "I got away from all those chemicals, all that noise," said Ms. King, showing a visitor around her new three-bedroom, one-and-a-half-bath home.

Perhaps 20 other Morrisonville families have remained in their homes, saying Dow's offer is not generous enough. "Dow doesn't pay for attachment to land, for the inheritance that is in this community," said Rosa L. Martin, who lives with her husband, Jack, in a modern brick house so close to the plant that hissing compressors and commands over the plant loudspeakers can be heard inside.

"This spot is worth more to me than anywhere," Mr. Martin, 63, a retired Air Force computer and electronics instructor, said of the community his father joined at the turn of the century."Dow doesn't understand that, but we're still talking."

An explosion on May 5, 1988, at the Shell refinery and chemical complex in Norco, La., just north of New Orleans, killed seven workers and has cost the company at least $40 million in damage claims, with more than 20,000 claims still to be settled.

Shell is buying property from homeowners near the plant, but Norman Altstedter, a company spokesman, said the purchases have been going on for 20 years. "It has been a continuing effort to be a good neighbor," said Mr. Altstedter, "and has not been in response to any industrial accidents or the explosion."

Exxon has spent $4 million to buy and remove 110 homes and businesses in the neighborhoods along the southern and eastern boundaries of its enormous refinery and chemical complex along the river here.

Some of the homes were damaged last Christmas Eve by an explosion at the refinery that killed two workers, injured seven and generated 8,000 damage claims.

Walter J. Eldredge, an Exxon executive, said the company wants to establish a greenbelt around the plant by buying homes and converting them to empty lots. He said the project was started before the accident and was intended to beautify the area.

"I don't believe that," said Curtis Brown Jr., 18, who lives with his parents, a brother and a sister in the Standard Heights neighborhood south of the refinery. "They're scared of another tank blowing up or gas coming over here. When that tank blew up I thought an airplane had fallen on the house. People were running down the street holding their heads."

Mr. Brown said his father declined an offer of $18,000 for the house. "You can't buy a house with kind of money," he said.

Across the Mississippi from Baton Rouge and five miles south of the Dow plant, Georgia Gulf completed its program last year to move 50 families from Reveilletown, another black community formed by freed slaves after the Civil War.

The six-acre parcel that was Reveilletown (pronounced re-VEAL-town) is now a grove of oaks and pecan trees spreading over clipped grass. Exits Began After '87 Suit

Edward A. Schmitt, the general manager, said Georgia Gulf began buying Reveilletown property in the mid-1970's, only a few years after the chemical plant was built in 1969. "We didn't need the six acres for expansion, but it serves as buffer zone if there was a major release," he said.

A lawsuit over contamination and health complaints in 1987 by 13 Reveilletown property owners was settled a year later and hastened the town's end. The owners who sued moved away after receiving cash. Twenty other families then agreed to sell to Georgia Gulf for $1.2 million. Twelve families moved two miles north to a subdivision near Morrisonville Estates that has come to be called New Reveilletown.

"We have to stop these relocations," said Les Ann Kirkland, a leader of AWARE, a local environmental group. "They're going to slip into normalcy. We can't keep putting price tags on people's history. Instead of removing the people, remove the risk."

Allen Craig, 77, and his wife Mary, 69, are the last Reveilletown residents. They were left behind in a legal dispute with the company handling relocations, but they are hoping to go, too. "I want to leave because everybody else went," said Mrs. Craig.