

### *Schenectady*

Artist renderings of a casino resort proposed for the banks of the Mohawk River depict glimmering, glass-enclosed buildings and sprawling green lawns set against imaginary crystal-blue waters that envelop the gambling destination.

But the drawings and most of the other documents presented to the state [Gaming Facility Location Board](#), which recommended the award of a coveted casino license to the site late last year, gave little indication of the pollution lurking in the ground. The 57 acres, with a manufacturing history that dates to the mid-1800s, is undergoing a multimillion-dollar cleanup to remove harmful substances that include arsenic, mercury and petroleum byproducts.

The pollution is so severe that the state has required a deed restriction ensuring that no one uses the property's groundwater, which is polluted with petroleum, chlorinated solvents and other degreasing agents. The state [Department of Environmental Conservation](#) also has found there is a potential for vapors from contaminated soil and groundwater to contaminate indoor air quality in any buildings placed on the site, records show.

The toxic materials seeped into the ground at the site over a period of decades, and largely at a time when there were fewer regulations governing industry waste-handling.

In 1901, [American Locomotive Works](#) merged with other companies to become one of the nation's leading train manufacturers. Its workers forged and welded the pieces needed to build steam engines before the company switched to manufacturing diesel-electric train parts beginning in 1946. It also produced tanks and boilers under contracts with the U.S. military during World War II. When ALCO went out of business in 1969, General Electric Co. actively used the site until 1985, leaving the last of its leased buildings in 2002. GE built steam-turbine engines there in addition to other work.

"It's our understanding that the site has been the subject of multiple investigations over the years and there are no GE-related environmental issues," said GE spokeswoman [Chris Horne](#).

## Site of Schenectady casino contaminated with decades of petroleum, degreasing agents

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The DEC began ordering the digging of monitoring wells on the ALCO site in the early 1990s after finding petroleum floating near the Mohawk's banks during an investigation of a spill at nearby [Coyne Textile Services](#) . As a result, hundreds of gallons of an oil-like substance were removed from the groundwater wells — in some cases the contamination being bailed out by hand, according to a review of hundreds of pages of government documents cataloguing the site's history.

"There's a reason no one did anything (with the property) since 1969; no one could figure out how to do it, including us, initially," said [David Buicko](#) , chief operating officer for the casino's developer, Rotterdam-based [Galesi Group](#) .  
"We hope we figured out the right template."

Such contamination is common at industrial sites and can be remediated, said [Preston Gilbert](#) , former operations director of the [State University of New York Center for Brownfield Studies](#) in Syracuse. For instance, pump and filtration systems can be used if indoor air tests are positive for what are called volatile organic compounds, which at high levels can be harmful to humans.

But the state location board's February decision to approve a casino for the site made no mention of such details, even though the information was part of an engineer's report submitted with the application. The board noted the property's status is a benefit, saying "a deteriorated site in an urban center could become productive and a greenfield site will not be developed elsewhere."

Galesi is planning to sink \$480 million into the project that includes a casino, boat harbor, two hotels, apartments, retail space and condominiums.

The site's history as a manufacturing hub dates to 1849 — a location largely chosen because the Erie Canal once ran past the property on what is now Erie Boulevard. In the following eight decades, the acreage was pieced together from 76 different parcels as American Locomotive grew into an industrial powerhouse. The East Front Street neighborhood was born, populated by ALCO workers. And Schenectady's "The City That Hauls and Lights The World" catch phrase came about partly from ALCO's success. When rail passenger travel and shipping dwindled, ALCO went out of business.

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In 1971, a group of Schenectady County businessmen bought the property and became its landlord. With few businesses remaining on-site, Galesi bought the property for \$500,000 in 2010 and began demolishing most of the 800,000 square feet of buildings. The structures at one time were used for blacksmithing, shot blasting (metal polishing or cleaning), welding and, at one time, even a floor used as a makeshift hospital with X-ray machines.

After the DEC got involved in the property, investigators learned a buried 2,700-gallon concrete tank had been removed — but not before it appeared to have leaked chlorinated solvents into the ground. More than 550 gallons of an oil and water mixture were also siphoned from two wells, one of the many that were drilled to monitor groundwater contamination.

As part of the Brownfield Cleanup Program, the DEC recently approved a remediation plan that calls for 2 feet of new dirt to be placed on any area not covered by a building or parking lot. Hot spots that contain arsenic, lead and mercury will be excavated and removed.

The cleanup also calls for a chemical oxidant to be injected into the ground to help dissipate the chlorinated-solvent plume that stretches from Erie Boulevard to the Mohawk River in the eastern portion of the site. A plume is created when a liquid chemical flows through another liquid, in this case groundwater.

Much of the plume is also located in the area that Galesi wants to dredge to create a harbor for luxury boats.

Small underground tunnels that were found after the buildings were demolished must also be backfilled.

An engineer's letter submitted as part of the casino application suggested that much of the site might be restricted from having residential housing because of concerns about underground contaminants that, in gas form, make their way up through the soil.

Galesi's site plan calls for at least a portion of a proposed 191-unit apartment complex, as well as the casino, to be located in that area. While the DEC recognizes that "the potential exists for

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the inhalation of site contaminants due to soil vapor intrusion for any future on-site development," it ruled that residential development can happen anywhere as long as there is indoor air monitoring, according to documents.

Buicko, in an email response to the [Times Union](#) , said requiring testing for indoor air quality doesn't mean there is an actual problem. "Vapor mitigation measures are well established and are in place at buildings throughout the state and country," Buicko said. Galesi also developed the nearby Golub headquarters, which was once an ALCO site.

In rejecting other casino applications, the locating board cited environmental concerns for the proposed Capital View Casino in East Greenbush and the Howe Caverns plan in Schoharie County. For Capital View, the board noted the casino would take up green space. And for Howe Caverns, the nearby presence of an Eastern small-footed bat habitat was listed as a concern.

A spokesman for the casino location board said it was a volunteer panel that relied on the direction of the DEC, which must sign off before the state Gaming Commission officially grants the license. There is no timeline yet on when that will happen, but Galesi said the casino will be built within two years of receiving the license.

Meanwhile, remediation is already under way. Galesi is receiving millions of dollars in tax breaks to do the clean up, which the DEC estimated would cost \$5.8 million. But Galesi said it has cost more than \$10 million thus far.

Gilbert, the state brownfield expert, said in recent years New York has relaxed the stringent requirements that often stopped developers from building on contaminated sites. Examples include the former Carousel Mall — now Destiny USA — in Syracuse and Riverlink Park in Amsterdam, he said. "You have to accept the fact that the DEC, even in this new era, is still very cautious, but cautious in a good way," Gilbert said. "To a layperson what would look really scary really isn't that scary."

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