From Assembly Line to Sidewalk Cafe: Turning an Automobile Assembly Plant into a New Town in Sleepy Hollow, New York - A Case Study of Positive Land Use Change Triggered by a Local Environmental Law

Donald W. Stever
From Assembly Line to Sidewalk Café: Turning an Automobile Assembly Plant Into a New Town in Sleepy Hollow, New York—A Case Study of Positive Land Use Change Triggered by a Local Environmental Law

DONALD W. STEVER*

Preface

This is a case study, and it is a story of how a little village in New York used a unique local environmental law as the centerpiece of an ambitious plan to forge a partnership with a reluctant corporate giant to secure and plan the rapid conversion of a huge, closed industrial facility into a new urbanism-style extension of the Village’s downtown. This effort involved borrowing an environmental law developed in another state as state law, with another purpose, and molding it into a municipal legal framework. This story does not yet have an ending, though the story line appears to be playing out more or less according to plan. At the end of the day, if this story has a happy ending, local historians will be able to point to one strategic use of local environmental law as the pivotal action that resulted in a profound economic transformation of the Village of Sleepy Hollow.

* The author, an environmental lawyer, is a partner in the New York City-based law firm, Dewey Ballantine LLP. He has served as a Village Trustee in the Village of Sleepy Hollow for the last five years, is a former chairman of the Village planning board, and was for many years a member of the Village's Conservation Advisory Council. He is the principal author of the Village's Abandoned Industrial Property Law, which is discussed in this article, and is one of the authors of the Village's Local Waterfront Revitalization Program, a coastal zone land use management plan. He has practiced environmental law and land use law for more than thirty years, and is a former tenured faculty member in the environmental law program of Pace University School of Law. Mr. Stever serves as Chairman of the Board of Directors of the Environmental Law Institute, located in Washington, D.C., and is on the boards of directors of Friends of the Rockefeller State Park Preserve, Inc. and The Hudson Valley Writers' Center Inc. Mr. Stever's family connection to the Hudson Valley dates back to 1710.
Background

The Village of Sleepy Hollow is situated on the east shore of the Hudson River approximately twenty miles north of Manhattan. It abuts the Village of Tarrytown to the south, Pocantico Hills, which is largely composed of various properties of the Rockefeller family, to the east, and the Rockefeller State Park Preserve to the north and northeast. Sleepy Hollow, which in the past had various names, including “Beekmantown” and, from the date of its incorporation until the mid-1990s, “North Tarrytown”, began its existence in the seventeenth century as a trading center and grist mill owned by a Dutch patent holder, Fredrick Philipspe.¹ The Pocantico River winds through the Village, and a bridge over that river and the Old Dutch Church just beyond it were immortalized by Washington Irving, a local resident, in his story, *The Legend of Sleepy Hollow*.² Many of the old Dutch names survive within the Village, and the old mill, called Philipsburg Manor, Upper Mills, was restored by the Rockefeller family in the 1950s and is operated as an historic tourism destination by Historic Hudson Valley, Inc.

Automobile manufacturing began in Sleepy Hollow before the turn of the last century.³ The Maxwell-Briscoe Motor Car Company had its headquarters in a building located adjacent to what is now called the Philipsburg Manor Railroad Station. It commissioned the firm of McKim, Mead & White to design a motor car manufacturing building, which was a steel and stone façade structure located just east of the Hudson River Railroad tracks on the floodplain below a bluff just north of Beekman Avenue, the main commercial street in the Village which runs from Broadway to the river.⁴ The automobile company was subsequently bought by the Chevrolet Motor Car Company, which was later absorbed into what is now the General Motors Corporation (“GM”), which manu-

---

¹ Philipse owned all of the land along the east side of the Hudson River from Spuyten Duyvil (where the Harlem River and the Hudson River converge just south or the Riverdale section of the Bronx) almost to Peekskill. His mansion, Philipsburg Manor, in Yonkers, is now a museum. Philipse sold much of his property before the middle of the eighteenth century, and had the bad judgment to sympathize with the British during the revolutionary war and so he lost his remaining landholdings shortly thereafter. *Village of Sleepy Hollow, Local Waterfront Revitalization Program II-7* (1997) [hereinafter LWRP].

² *WASHINGTON IRVING, THE LEGEND OF SLEEPY HOLLOW* (1820).


⁴ The McKim, Mead & White building remained standing until 1974 when its owner demolished it on the eve of the building being placed on the National Register of Historic Places.
factured automobiles at the site until it permanently closed the facility in 1996.\(^5\)

Until the early 1950s, GM's manufacturing plant was largely confined to flat land, mostly filled wetland, lying east of the railroad and a small parcel of land west of the railroad adjacent to a park. The company then acquired from the New York legislature title to about fifty acres of the bed of the Hudson River, which the company filled and on which it built a new 3.5 million square foot automobile assembly plant. This facility dominated the riverfront, and was the most prominent feature of the landscape visible from the Tappan Zee Bridge, which was completed at about the same time. The final size of the manufacturing site assembled by GM was about 100 acres, most of which lay on the river side of the railroad, with thousands of feet of river frontage.

The viewshed from most of the site, which was of no interest to the auto manufacturer during its heyday, is nothing short of breathtaking. From the western shore of the site one has a panoramic view of the Manhattan skyline and the Palisades to the south, to the Tappan Zee, three miles wide at that point, the Nyack waterfront and Hook Mountain to the west, and the Hudson Highlands to the north.

One of the earliest planned subdivisions in the United States, Philipse Manor, which contains about 260 single family largely upscale residential homes, was developed and built out just to the north of the plant site between 1905 and the early 1960s. During the hundred or so years of automobile manufacturing in the Village, the old, inner village and particularly the lower end of Beekman Avenue reflected the influence of the working population. The area had a profusion of drinking establishments that served off-shift workers, and the housing stock was predominantly of old zero lot line frame houses and tenements. The “Chevrolet Plant” as it was called, was the Village’s largest taxpayer, effectively subsidizing the local tax base for over a hundred years.

The assembly plant brought generations of blue collar workers to the Village, who inhabited the older housing stock in the “inner village,” which lies directly to the east of the plant site, to the north and south of Beekman Avenue. The Village today remains ethnically diverse. Its population includes a significant aging population of people of Irish and Italian descent who were born and raised in the Village and remained, an affluent, some-

\(^5\) LWRP, \textit{supra} note 1, at II-9-10.
what transient population of professionals and people who work in the banking and investment sectors, most of whom commute to New York City, and a large Spanish-speaking population made up of Cubans, Puerto Ricans, Dominicans, Ecuadorians, Chileans and immigrants from various countries in Central America.\textsuperscript{6}

Our story concerns the Village’s life after the death of the Chevrolet Plant.

**Preparation For The Inevitable: 1992-2000**

Discussion about the potential for closure of the assembly plant started in the mid-1980s, when the Chevrolet-Canada Division of GM extracted significant concessions from the State of New York in return for agreeing to retool the plant to manufacture GM's new plastic body minivan, keeping the plant alive.\textsuperscript{7} By the early 1990s, however, it had become clear that the assembly plant's days were numbered. The facility, a two-story assembly line on small site without access to nearby parts suppliers, was hopelessly outmoded. The plastic minivan (dubbed "dustbuster" by critics of its design) had turned out to be an unsuccessful product, and GM was not likely to invest more money in the facility to retool it yet again.\textsuperscript{8} The Hudson River waterfront in Westchester County is littered with the rusting detritus of its nineteenth and early twentieth century manufacturing economy, and it had become painfully clear to several local residents that Sleepy Hollow was soon likely to suffer the fate that had already befallen Yonkers, Hastings-on-Hudson, Ossining, and Peekskill – a waterfront of decaying industrial structures and contaminated soil that would be too expensive to clean up and redevelop.\textsuperscript{9}

A survey of what had become of idled assembly plants and other large, closed, industrial complexes presented a sobering pic-

\textsuperscript{6} Id. at II-10 to II-11.

\textsuperscript{7} This agreement included an industrial revenue bond financing and a payment in lieu of taxes agreement as part of a tax concession package that turned out to be financially disastrous for the Village. The State also provided a package of benefits, including agreement to raise all of the bridges that crossed the railroad tracks north of the plant, to provide sufficient clearance for double-decker auto transport rail cars. Relocation of the pedestrian bridge at the Philipse Manor Railroad Station, just north of the plant, was included in this program, detaching it from the abandoned station house. That action made restoration of the station house for an adaptive re-use feasible, and in 1995 the building was renovated to historical accuracy and reopened as the home of The Hudson Valley Writers' Center, a cultural amenity.

\textsuperscript{8} LWRP, supra note 1, at II-25.

\textsuperscript{9} Elsa Brenner, Reviving the Waterfront: Victory and Frustration, N.Y. Times, Feb. 27, 2000, at 14WC-1.
ture. Few were redeveloped, some were Superfund sites, and those that were ultimately redeveloped sat idle for fifteen years or more before any serious effort at demolition and redevelopment had occurred. These properties almost uniformly became blighted nuisances which imposed a significant burden on the host community's tax base. It became painfully obvious to the small group of Village residents who looked into this issue that, unless Sleepy Hollow developed a powerful bargaining chip, it would suffer a similar fate.

It was at this point, following the initiative of several Village residents who happened to have expertise in land use law and environmental law, that the Village began to take its future into its own hands. First, the Village Board adopted an innovative local law, the Abandoned Industrial Property Reclamation law. This local law was loosely premised on New Jersey's Industrial Site Recovery Act, which requires industries selling property or terminating operations to remove environmental contamination under state oversight prior to taking the action. The Abandoned Industrial Property Reclamation law required that, but went farther. It required the owner of an industrial property having more than 50,000 square feet of manufacturing space to demolish all structures as well as study and clean up the site, within eighteen months of terminating operations on the site or a reasonable period for amortization of the remaining investment value. The law also required removal of environmental contamination to regional background levels, a significantly more stringent standard.

10. Environmental Protection and Abandoned Industrial Property Reclamation, Sleepy Hollow, N.Y. Code ch. 17A (1993). The purpose of the law was "to prevent the creation of nuisance conditions, hazards to public safety and abandoned industrial blight, to assure that large industrial properties are evaluated for environmental degradation and that environmental contamination is remediated prior to a significant change in use of an industrial facility." Id. § 17A-1(B). Recognizing that abandonment of other industrial sites throughout Westchester County had created "community blight and environmental degradation," and further recognizing that without a law, the same would happen in Sleepy Hollow, this law was adopted. Id. § 17A-1(C). This local law is not unlike a local law entitled Comprehensive Municipal Environmental Response and Liability Ordinance adopted by the City of Lodi, California, which the Ninth Circuit held was not preempted by either the federal Comprehensive Environmental Response, Compensation and Liability Act nor California's Carpenter-Presley-Tanner Hazardous Substance Account Act. See Fireman's Fund Ins. Co. v. City of Lodi, 271 F.3d 911 (9th Cir. 2001).


than the remedial standards employed under federal and state law.\textsuperscript{13}

The Abandoned Industrial Property Reclamation law is quintessentially a local environmental law. Authority for municipal governments to adopt broad health, safety and environmental protection laws was invoked under Article Ten of the New York State Constitution, which provides limited home rule power to incorporated municipalities.\textsuperscript{14} The two concerns the drafters had were that the demolition requirement could be attacked as confiscatory, and that the stringent remedial standards contained in the local law could be argued to be preempted by the State's broader regulatory jurisdiction over abandoned hazardous waste disposal sites. The first issue was dealt with in the text by specifically allowing the structures to remain standing for a "reasonable period of amortization,"\textsuperscript{15} a concept borrowed from the zoning literature pertinent to terminating nonconforming uses.\textsuperscript{16} Concern about enforceability of the clean-up standards\textsuperscript{17} was addressed by inserting a severability clause in the law, allowing pieces of it to be nullified without affecting the remainder.\textsuperscript{18}

Also beginning about 1990, the Village's volunteer Conservation Advisory Council had been working with help from an employee of the New York Department of State, Jeffrey Beach, toward developing a Local Waterfront Revitalization Program ("LWRP") for the Village. An LWRP is New York's version of a coastal zone management plan.\textsuperscript{19} Because the Hudson River at

\begin{footnotesize}
\textsuperscript{13} Federal law under the Superfund program requires a remedial action achieve a degree of cleanup that, at a minimum, "assures protection of human health and the environment." Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9621(d)(1) (2000). The remedial actions are required to be "relevant and appropriate under the circumstances." \textit{Id.} The goal of New York's own Superfund program is to restore sites "to pre-disposal conditions, to the extent feasible and authorized by law." Inactive Hazardous Waste Disposal Sites, N.Y. COMP. CODES R. & REGS. tit. 6, § 375-1.10(b) (2002). At a minimum, the program requires elimination or mitigation of "all significant threats to the public health and to the environment presented by hazardous waste disposed at the site through the proper application of scientific and engineering principles." \textit{Id.}

\textsuperscript{14} N.Y. CONST. art. 10, § 5.

\textsuperscript{15} Environmental Protection and Abandoned Industrial Property Reclamation, SLEEPY HOLLOW, N.Y. CODE ch. 17A (1993).


\textsuperscript{17} \textit{See} Firemen's Fund Ins. Co. v. City of Lodi, 271 F.3d 911, 933-43 (9th Cir. 2001) (holding that a local environmental clean-up law was not pre-empted by CERCLA or a comparable California State Statute).


\textsuperscript{19} Optional Local Government Waterfront Revitalization Program for Coastal Areas and Inland Waterways, N.Y. EXEC. LAW § 915 (McKinney 2002).
\end{footnotesize}
the Tappan Zee is a tidal estuary, its shoreline is considered to be coastal, not inland, and so Sleepy Hollow qualified for assistance in developing an LWRP. Under New York law, after adoption and state approval of an LWRP, any development of any kind within the Village required the Village to make an affirmative determination that the activity was consistent with the policies contained in the LWRP. Sleepy Hollow's LWRP designated the entire geographic area of the Village as protected area.

The Village devoted an entire section of the LWRP to the GM assembly plant site and an adjacent smaller parcel of vacant land. The final plan included a recommendation for rezoning the entire site and several adjacent areas from a "Manufacturing" to a "Riverfront Development" zoning district. The new Riverfront Development zoning district contemplated redevelopment of the property as a planned unit, into a mixed-use commercial and residential area having the character of a traditional riverfront village, with streets and sidewalks, and residential units on top of commercial storefronts. In order to accomplish this, the district was constructed with specific, though flexible, development guidelines.

Development of the LWRP included a broad canvass of the Village's residents, who were mailed or delivered by hand a series of questions to elicit the public's views on how the GM property should be developed. The return on this solicitation was impressive—about seventeen percent of the questionnaires were returned with the questions answered. The results of this canvass were included in the environmental impact study undertaken in connection with adoption of the LWRP. One issue that emerged as important was how to structure redevelopment of the GM site so that its residents and commercial uses would not be isolated from the Village's traditional "main street," Beekman Avenue. The LWRP specifically addresses this issue, requiring, as a planning principle, that the GM development be designed to enhance the "Beekman Avenue Corridor." Finally, the zoning regula-

21. LWRP, supra note 1, at V-3.
22. Id. at II-25-29.
23. Id. at II-29, IV-3.
24. Id. at II-25-27.
25. Id. at II-3-4, III-8-9.
tions require that developments within the Riverfront Development zoning district be not smaller than twenty acres, thereby requiring in essence that there cannot be piecemeal development of the riverfront.26

The LWRP had largely been completed, though not yet adopted, and the Abandoned Industrial Property Law was already on the books and in force when GM announced that manufacturing would cease forever on the site in July of 1996.27 Shortly thereafter the company commenced a lawsuit against the Village in the federal district court, in which it sought to have the Abandoned Industrial Property Law nullified on various proffered constitutional grounds. This lawsuit was settled prior to trial or discovery on December 22, 1996.28 In the settlement agreement, in return for the Village's agreement not to enforce the Abandoned Industrial Property Law against it, GM agreed (1) to investigate and, as necessary, remediate the property under the supervision of the New York State Department of Environmental Conservation, (2) to demolish all structures on the site within an agreed-upon schedule, (3) to leave in place the concrete-on-piling slabs, (4) to donate a portion of the property to the Village for permanent open space, (5) to grant the Village an option to purchase a small parcel of land owned by GM but not contiguous to the plant site, (6) to produce a master development plan for the entire property rather than redevelop it in individual small parcels, and (7) that if GM had not defeased the industrial revenue bonds and sold the site to an unrelated third party by the fifth anniversary of the settlement (thereby bringing it back onto the tax rolls), the Village had the right to acquire the property at its market value. The last part of the agreement contains an arbitration provision to resolve a dispute over the value of the property.29

28. A similar law enacted in Lodi, California was upheld against challenges based on the Supremacy and Contracts Clauses of the United States Constitution. U.S. CONST. art. I, cl. 1 & art. VI, cl. 2; see Fireman's Fund Ins. Co. v. City of Lodi, 271 F.3d 911, 933-43 (9th Cir. 2001). In so finding, the Ninth Circuit held that the local law was not preempted by either state or federal environmental clean-up laws. Fireman's Fund Ins. Co., 271 F.3d at 933-34. Applying the analysis in Fireman's Fund, it is likely that Sleepy Hollow's local Abandoned Industrial Property Law would have withstood a constitutional challenge.
29. The Village formally exercised its option to purchase the property in December 2001, primarily to provide GM with an impetus to move the redevelopment project.
In 1997, the Empire State Development Corporation, with funding provided by the state, Westchester County, and GM, retained the Arthur Andersen firm to undertake a study on the feasibility of various re-uses of the GM site.\textsuperscript{30} This study, which included some public participation, resulted in a report that, in essence, concluded that the most feasible reuse scenario for the site would be a mixed-use, predominantly residential development, which had a significant local retail component.\textsuperscript{31}

Shortly after the Abandoned Industrial Property Law litigation was settled and the Andersen report was delivered, GM retained a planning consulting firm to provide it with advice concerning the overall structure and the specific development constraints contained in the proposed Riverfront Development zoning district, which was at that time undergoing review along with the rest of the LWRP under New York’s little NEPA, the State Environmental Quality Review Act.\textsuperscript{32} GM provided comments to a Draft Environmental Impact Statement,\textsuperscript{33} and attended public work sessions of the Village Board of Trustees during mark-up and final passage of the legislation. The Village also solicited comments from other stakeholders, primarily Scenic Hudson Inc., an environmental and land use advocacy organization, and Historic Hudson Valley, which operates a large historic tourism site adjacent to the GM property. Input from GM and other stakeholders resulted in changes to the development standards. For example, the original draft of the law provided for tiering of building heights away from the river, so that the tallest allowable buildings (5 1/2 stories) would be built on the easternmost portion of the property. GM’s planners convinced the Village that taller buildings should be permitted along the Metro-North Railroad

\textsuperscript{30} ARTHUR ANDERSEN REAL ESTATE SERVICES GROUP, REUSE STUDY FOR THE GENERAL MOTORS NORTH TARRYTOWN PLANT 2 (1996).

\textsuperscript{31} Id. at 6-9.

\textsuperscript{32} New York State Environmental Quality Review Act, N.Y. ENVTL. CONSERV. LAW §§ 8-0101 to 8-0117 (McKinney 2002).

\textsuperscript{33} New York is one of a handful of states that have a “little NEPA” statute, requiring formal environmental impact assessments of major land use changes and private development projects that require approvals from local governments. Id. § 8-0109.
corridor, which bifurcates the property from north to south, as a sound attenuation barrier and visual barrier.

The LWRP was adopted, and approved by the Secretary of State, in 1997. Deconstruction of the old assembly plant began during 1998, and was completed in about eighteen months. Notwithstanding the fact that the GM site had been used for the manufacture of automobiles for a hundred years, it contained comparatively little in the way of contaminated soil, which is of considerable benefit to any developer.

GM solicited development proposals in early 1999. The company's Request for Proposals ("RFP") encouraged developers to submit proposals for developing the site in accordance with the LWRP. The company received five or six proposals from major developers. GM's real estate unit, which had taken control of the site from the company's facility closure unit after the buildings were demolished, provided periodic briefings to Village officials during the developer selection process. The company ultimately settled on a single developer, a Connecticut-based developer who had considerable experience redeveloping former industrial waterfronts along the Long Island Sound shoreline. Unfortunately, this developer and GM were apparently unable to come to a mutually agreeable business arrangement, and the two parted company early in 2000, necessitating initiation by GM of an entirely new developer selection process. The redevelopment group who had undertaken the initial selection process was replaced by new GM personnel, who started the process anew from the beginning.

GM had made the decision, probably in 1999, to maintain a presence in the redevelopment of the site rather than simply market it to developers. The second developer selection process was much different from the first, in that it was much more focused. Rather than send out another round of general RFPs and react to what came in the door, GM smartly sought out several developers who had a proven track record with similar projects, encouraging competing proposals. After GM had winnowed out the initial chaff, Village officials were invited to meet with the two finalists, and were given tours of examples of their completed work and projects under construction. GM solicited village officials' views

34. Letter from Alexander F. Treadwell, Secretary of State, to Sean Treacy, Mayor, Village of Sleepy Hollow (June 6, 1996) (available in LWRP, supra note 1).
before it made its final selection, Roseland Property Corporation, in July 2001.36

**Issues and Future Directions**

The Sleepy Hollow waterfront, which consists of the GM property and several smaller undeveloped parcels, comprises one of the largest contiguous groupings of development property that has come onto the real estate market in Westchester County in more than thirty years. It is also the largest waterfront property north of Manhattan Island.37 Redevelopment of the GM site will fundamentally change the character of the Village of Sleepy Hollow, a fact that places a very heavy responsibility on the Village's decision makers and the developers.

Late in 2001, the Village was awarded a grant to underwrite a series of meetings, called "linkages workshops," bringing interested parties together to discuss the issues and directions development of the riverfront should take. To date, two linkages workshops have been held. These have involved participation by a wide group of the Village's citizenry, the Mayor and Trustees, the various land use regulatory boards and commissions, representatives from neighboring Tarrytown, Westchester County planning officials, representatives of Historic Hudson Valley, the Metro-North railroad, citizen interest groups, and the two principal developers of property within the Riverfront District, Roseland Properties Corp., designated developer of the GM property, and Ginzburg Development Corporation, which proposes to develop a smaller, 3.5 acre parcel that is adjacent to the GM property.

Roseland has proposed to develop the site into a mixed-use residential and commercial neighborhood, extending Beekman Avenue directly to new public space on the riverfront.38 It has retained planning and design firms that have worldwide reputations to prepare a development master plan. The residential properties are projected to be market-rate rental properties, for which there is a significantly under served market in the New York metropoli-

36. *Id.* It must be observed that, notwithstanding the legal skirmishes and periodic public relations sparring between the company and the Village's mayors, the degree of public-private cooperation demonstrated by the parties in this process, after the initial challenge to the local environmental law was resolved, is, if not unprecedented, certainly unusual.

37. *Id.*

The linkages workshops are an informal precursor to environmental impact review of the proposed project under the State Environmental Quality Review Act. Issues that have been raised in the linkages workshops include (1) traffic impacts on Tarrytown, and issues relating to ingress to and egress from the site; (2) the need for an on-site railroad station to serve the residential component; (3) configuration and use of the thirty percent of the property that will be dedicated as public space; (4) how to successfully link the new commercial development to the older commercial strip along Beekman Avenue, (5) strategies for maximizing the prospects for successful, long-term retail business at this location, which is isolated from major transportation corridors; (6) how to attract and support water dependent or water enhanced uses in conjunction with the more traditional retail and back office commercial uses; (7) the short and long-term impact of this new population on the older residential housing stock in adjacent neighborhoods, which houses a predominantly hispanic and latino immigrant population; and (8) the relationship of the development to Kingsland Point Park, a small county-owned passive recreation facility adjacent to the northerly portion of the GM property.

The road from automobile manufacturing to a new community within Sleepy Hollow has been a bumpy one, and there are potholes ahead. The Village, the General Motors Corporation, and Roseland Properties Corporation are faced at the same time with a once-in-a-century opportunity to effect a positive transformation of this small community, and the enormous challenge and the responsibility to get the job done and get it done right. I am one of the elected officials shouldering this responsibility, and I can certainly say that I will, quite literally, have to live with the consequences of the actions we take over the next several years.