

# Court blocks use of BP restoration funds for Gulf State Park conference center



Hurricane Ivan destroyed the lodge at Gulf State Park in 2004. (Joe Songer (jsonger@al.com))



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A federal judge has blocked the use of certain BP restoration funds stemming from the Deepwater Horizon oil spill from being used to rebuild a beachfront lodge and conference center on the Alabama coast.

U.S. District Judge Charles Butler wrote in his decision that the Trustees who were in charge of allocating the funds "acted arbitrarily and capriciously by failing to conduct a proper alternatives analysis," as required by the Oil Pollution Act.

"The Court can, and will, enjoin the use of those funds pending further review by the Trustees," Butler wrote. "However, based on the administrative record before it, and the narrow issue presented by the pleadings, the Court cannot enjoin the Commissioner or the State from building the lodge/conference center with funds other than early restoration funds."

The decision came in a **law suit** filed by New Orleans-based environmental group Gulf Restoration Network, which challenged the process by which the project was approved.

"If you're going to fix natural resources, the law says you have to look at different ways of doing it," said Robert Wiygul, a lawyer who represented GRN in the case. "They didn't do that here."

"The law doesn't prevent the state of Alabama from making a bad decision, but it does prevent them from making an uninformed decision, and that's what they did."

The \$85.5 million Gulf State Park Enhancement Project was among the first restoration projects approved under Alabama's portion of early restoration funds made available by BP as part of the Natural Resource Damage Assessment (NRDA) process.

The project was proposed by the state, and approved by the NRDA trustees, which are the five states impacted by the spill, as well the U.S. Departments of the Interior, Commerce and Agriculture and the Environmental Protection Agency.

NRDA is intended to compensate states affected by oil spills for the loss of natural resources caused by the spill, both ecologically and economically. Critics argued that the state was ignoring the former in favor of the latter by using nearly all of the state's early-round NRDA money for the Gulf State Park project.

"The bottom line here is we didn't lose any convention centers to the oil spill," Wiygul said. "What we lost was marsh and fish and pelicans and habitat. Not convention centers and not hotels."

The project included improvements throughout the park, but was set to use \$58.5 million toward the rebuilding of the Gulf State Park Lodge, which was destroyed by Hurricane Ivan in 2004. Lawmakers last year declined to approve a proposed \$50 million bond issue to cover the remaining costs of building the lodge.

Cooper Shattuck, executive director of the project and a former legal adviser to Alabama Gov. Robert Bentley, said through a spokesman that the project will go forward in spite of the ruling.

"While we are disappointed with Judge Butler's decision, it will not impede our progress at the park," Shattuck said. "There are other funds available for the continued work on the lodge that do not include tax payer dollars."

"The court's ruling does not affect the other aspects of the project (trails, dune restoration, interpretive center, and research and education campus), which will continue unaffected."

In addition to the restoration funds that were at issue in this case, BP agreed to pay the state of Alabama **\$1 billion** over 18 years for economic damages stemming from the 2010 oil spill. That money, which Bentley has said will go to the state's general fund, is not affected by Butler's ruling and could still potentially be used for the lodge project.

See the full text of the order below:

### **[Judge blocks BP funds for Gulf State Park Lodge](#)**

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