

## Judge blocks Alabama use oil spill funds to build hotel

By Kim Chandler | AP February 16 at 8:34 PM

MONTGOMERY, Ala. — A federal judge on Tuesday blocked Alabama from using early oil spill restoration funds to build a 350-room beachfront hotel and conference center.

U.S. District Judge Charles Butler ruled that state and federal trustees failed to comply with legal requirements to examine alternative uses for the money meant to address damage to natural resources. Butler blocked the state from using the money for the hotel development until the analysis is completed.

Gulf Restoration Network sued state and federal trustees over Alabama's plans to use \$58.5 million in early restoration funds — a \$1 billion pot of money set up by BP to begin addressing injuries to natural resources — to build a hotel and conference center at Gulf State Park. The environmental group argued that a hotel development isn't proper use of money meant to restore coastal damage after the largest oil spill in U.S history.

Cynthia Sarthou, executive director of Gulf Restoration Network, said in a statement that the ruling shows that the Natural Resources Damages Assessment trustees “cannot merely give lip service to compliance with environmental law.”

“We are hopeful that today's ruling will ensure that all future BP-disaster related funding flows to the best possible restoration projects,” she said.

The judge's decision does not block the state from proceeding with the project, only from using this particular pot of money for the project.

“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,” Butler wrote.

Cooper Shattuck, executive director of the Gulf State Park Project, said the ruling will not stop the lodge project.

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

Gov. Robert Bentley has said the state plans to use another \$50 million from BP's direct payments to the state for the project.

Alabama is planning to construct a 350-room hotel and conference center that can handle gatherings of up to 1,500 people. The facility would be built on the site of an old lodge at the park that was destroyed by Hurricane Ivan in 2004.

The 2010 Deepwater Horizon rig explosion dumped 134 million gallons of oil into the Gulf of Mexico. The state argued that the hotel project will help bring people back to the coast after recreation use plummeted during the 2010 oil spill and cleanup.

Bentley has said he hoped to have the hotel open by 2018.

Jordan Macha, senior policy analyst with the Gulf Restoration Network said the early restoration money was set aside to repair the coast and could be used for projects such as restoring wetlands or protecting habitats.

"We have very few natural areas that aren't developed on the Alabama coast as it is," Macha said.

The state also plans to use part of the restoration funds for dune restoration and walking and biking trails and other projects at Gulf State Park. Those projects were not challenged by the lawsuit.

Shattuck said those projects will continue unaffected.

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