Alabama begins work on beachfront hotel using BP money

FILE - In this Dec. 1, 2005 file photo, a danger sign warns visitors to stay away from the hotel at Gulf State Park in Gulf Shores, Alabama. The state has started construction on a beachfront hotel and conference center using money from the BP oil spill. The new hotel — which will include conference space to accommodate 1,500 people — will replace an old state lodge that was destroyed by Hurricane Ivan in 2004 and demolished years before the oil spill occurred. (AP Photo/Chip English, File)

By JAY REEVES
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BIRMINGHAM, Ala. (AP) — After a court fight and years of trying to rebuild a beachfront lodge
destroyed by Hurricane Ivan in 2004, Alabama has begun construction on a multimillion-dollar hotel and conference center that will partially funded by money from another Gulf Coast disaster: the BP oil spill.

Initial work has started on the new conference center at Gulf State Park just weeks after a federal judge blocked the state from paying for the work with money from BP, the director of the project, Cooper Shattuck, said Thursday.

Shattuck said the work is legal because the judge only shut the lid on one pot of BP money and the project is being funded from another pile of BP money.

A group that sued over the project, the Gulf Restoration Network, conceded that the funding mechanism is legal but called the move disappointing nonetheless.

"As we said before, there were no hotels or conference centers damaged by the BP oil disaster," said Cyn Sarthou, executive director of the Gulf Restoration Network.

The state is building a 350-room hotel and conference center beside the Gulf of Mexico, where oil and tar balls washed ashore after a BP oil well exploded off the coast of Louisiana six years ago, dumping about 134 million gallons of crude into the sea. Combined with other work, the total cost is projected at $135 million.

The new hotel — which will include conference space to accommodate 1,500 people — will replace an old state lodge that was destroyed by Hurricane Ivan in 2004 and demolished years before the oil spill occurred.

Shattuck, a University of Alabama attorney tapped by Gov. Robert Bentley to direct the project, said workers recently started restoring sand dunes and working on the foundation for the new hotel, located between the tourist towns of Gulf Shores and Orange Beach. The cities have lacked adequate beachfront meeting space for years.

While U.S. District Judge Charles Butler ruled in February that $58.5 million in BP funds for early restoration could not be used for a lodge without additional environmental analysis, Shattuck said the court didn’t block the entire project.

"We are complying with the court’s order and those funds are not being used for the lodge," Shattuck said in an interview conducted by email. "The current work on the lodge is being funded with monies awarded the project last year from grant funds provided by BP in 2010."

In a statement, Sarthou said the state should use BP money for something other than a hotel.
"We hoped that as Alabama considered the alternatives - as required by the court's order - they would decide to use the funds on a project that actually restored state resources and restored them in a way that would benefit all the public, not just those who can afford to stay in the lodge," she said.

Alabama leaders, including Bentley, have been trying to build a replacement for the old lodge since shortly after Ivan struck 12 years ago. The project should be done by summer 2018, Shattuck said.
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