State plans beach hotel, improvements with oil spill funds

KIM CHANDLER, Associated Press 3:20 p.m. CST November 30, 2015

A stretch of undeveloped sugar-white sand snakes along Alabama’s gulf coast.

Over 10 years ago, Hurricane Ivan knocked down a 1970s-era state park lodge at the site, and Alabama has not had the money to rebuild it— at least not until now.

Alabama is moving forward with plans to use oil spill settlement funds to build a 350-room hotel and conference center that can handle groups of up to 1,500 people.

"I believe we will be open by 2018. The conventions will not be going to Florida. They will be coming to Alabama and I'm very proud of that. It will bring a lot of money into the state and the money that is generated will help support the other parks around the state," Gov. Robert Bentley said Friday.

The state argues that the facility will bring people back to the beach where tourism took a blow during the 2010 oil spill and cleanup.

However, environmentalists have filed a lawsuit to block the project, saying a hotel development isn't a proper use of funds meant to restore the coast after the largest oil spill in United States history.

The 2010 Deepwater Horizon rig explosion dumped 134 million gallons of oil into the Gulf of Mexico. BP is now flowing money to the states to make up for the damage.

The state has secured $135 million for the Gulf State Park Enhancement Project that includes the hotel and convention center, dune restoration, walking and biking trails and other projects at Gulf State Park. Alabama received $85.5 million from early restoration dollars — a pot of funds BP established to start money flowing to the coast. Another $50 million from BP’s direct payments to the state will provide the final piece of the funding puzzle, Bentley said.
Tourism officials in Alabama have long argued that Alabama needed a beach site that could host large conferences, since Alabama associations often cross state lines into Florida to find venues large enough for their summer gatherings. Two governors have tried for over a decade to get the project accomplished.

Not everyone is happy about the idea.

"The project doesn't address any of the actual damage caused by the oil spill," Robert Wiygul, a lawyer representing of Gulf Restoration Network.

"Other projects should have been weighed and considered," he said.

The environmental group that filed a lawsuit in federal court against the Alabama Department of Conservation and federal agencies that managed the early restoration funds.

"Building a hotel and convention center is plainly not an action that will "restore, rehabilitate, replace, or acquire the equivalent of injured natural resources or services," and the Federal Trustees do not even try to explain how building a convention center qualifies as a "restoration project," Gulf Restoration Network wrote in the lawsuit.

Both sides have filed from summary judgment in the case and the final briefs are due in December.

The state's argument for using the BP oil spill funds for hotel construction is that people lost recreation time at the beach during the spill when park visitation plummeted to a fraction of normal levels in the summer of 2010.

Alabama officials argue the project will be ecologically sensitive, on a smaller footprint than the old lodge, leaving plenty of unspoiled coastline and enhance the coastal park.

"This overnight stay and meeting facility will welcome everyone and improve public access to the park's beaches, trails, freshwater ecosystems and other natural resources, as well as serve as a model of resilient, environmentally friendly coastal development," Gulf State Park Enhancement Project spokesman Cooper Shattuck said.

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