



## ACP Real Estate, Inc.

Robin Linn, Qualifying Broker / Owner  
Toni Knox, Associate Broker  
Kelby Linn, Owner / Broker- Holiday Isle  
Jamie Barron, Realtor  
Rose Raica, Realtor  
Marion Laney, Realtor  
Charles Gaba, Associate Broker  
Stephanie Willis, Realtor  
Amy Vice, Vacation Specialist  
Bridges, The Office Cat and Greeter

June 3, 2010

Congress of the United States  
House of Representatives  
Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515-6115

RE: Written statement for testimony before Energy and Commerce Committee's Subcommittee on Oversight and Investigations on Monday, June 7, 2010.

To whom it may Concern:

My name is Kelby Linn. My wife and I own ACP Real Estate, Inc. which is a real estate sales and property management company offering 100 + vacation rental properties on Dauphin Island, Alabama. I am a board member of the Dauphin Island Chamber of Commerce, Vice President of the Dauphin Island Industrial Development Authority, and am serving on other town committees that are working on long term beach restoration programs. I have been asked to describe the impact of the BP Oil Spill on our business, on other businesses on the island, and how it has changed our and others' personal quality of life.

Dauphin Island is a small Tourist destination located 7 miles out in the Gulf of Mexico on the western side of Mobile Bay. We have approximately 1400 full time residents and our tourists would have grown our population to around 4000 to 5000 people during our prime summer season. Our tourism is driven by the love of our pristine white sand beaches, by the fishing we offer, and our environmental qualities including being one of the best birding spots in the US. We have our own water aquifer that supplies the Island as well as a maritime forest all being a part of an Audubon Reserve. All these valuable and irreplaceable assets are in extreme jeopardy due to this massive catastrophe.

Along with other businesses on the Island, ACP has suffered economically for the past 5 years primarily due to the unusual frequency of hurricanes that impacted us and our neighbors. Ivan in 2004, Katrina in 2005, and the others such as Arlene, Cindy, Dennis, Rita, and indirectly Ike and Gustav all visited us in one form or another. We were also considerably impacted over the last two years by the national economic meltdown and the resulting real estate crash. We have fought hard to survive and for the first time in five or six years, most businesses here came into 2010 with an increase in future business projected. We were well on our way to experiencing one the best years financially due to recovering economy, the upbeat tourist projections and early reservations that started coming in for the summer months.

Since the collapse of the oil rig in mid April, the news media started its coverage of the oil spill and its projected impact on the Gulf Coast. By the 1<sup>st</sup> of May, we started receiving cancellations for primarily all of the summer months. In just four weeks, we received approximately 150 such cancellations reflecting a loss of \$265,000 in gross revenues. While we were busy taking the negative calls, we also noticed a complete drop off of incoming reservations. With few exceptions, the majority of any new reservations have been taken at discount rates requested by the many contractors hired by BP that chose to use Dauphin Island for staging purposes for some of their management teams. We are glad to have this smaller source of income to help us through.



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Unfortunately, our large repeat rental base which we have worked hard to develop over the past nine years is being completely eroded due to both the spill and the negative press we receive daily. The island's future as a vacation rental destination has been severely impacted for years to come. Our businesses obviously will follow that same catastrophic economic path.

So, what is being done at this stage to help us? First and foremost, I applaud the Federal Government for its outstanding prompt preparatory response. Having experienced slower federal responses in the past to Hurricanes Ivan and Katrina, I can truly say we had help arriving on the island almost immediately once the situation was accurately defined. Alabama State agencies were not that responsive in the past, nor have they been as responsive now.

A BP Claims office has been established here on Dauphin Island. So far they are only handling small claims and passing larger Small Business claims on to Hammond, Louisiana for consideration. While small advance payments of \$5000.00 are being made quickly to individuals such as oystermen, the process for small businesses appears to be much slower. ACP has chosen to hire an attorney to work on financial recovery from BP for us so that we can focus on keeping the business in operation. Our monthly overhead averages around \$60,000 per month. This includes payroll for five employees and typical operational expenses such as rent, utilities, equipment rentals, advertising, telephone expenses, and internet presence. We are also indirectly responsible for providing work to another 20 or so contract laborers here on the island who do cleaning, small jobs and maintenance, plumbing, and electrical repairs on the rental units for the owners of the properties. 73% to 75% of our gross annual revenues are received during the three summer months, Memorial Day to Labor Day. We come into this season at our lowest cash flow point, which is obviously now. To lose any income during this key prime season will seriously hamper our ability to stay in business until this catastrophe can be contained and turned around and we can start the rebuilding process again.

In not having a lot of faith that BP will succeed in providing a timely payment process for small businesses, ACP has also applied for yet another SBA Loan in hopes to be able to obtain operating capital in a timely fashion. So far the SBA has been quick to respond and has immediately deferred current existing loan payments for twelve months. We are hoping the application process will move quickly so we can continue to fight for our survival while we wait for true financial reimbursement for economic damages from BP.

And last, what has happened to our personal quality of life? Our primary residence is on Dauphin Island. All of our employees live here as well. While we are grateful to see the quick response from the government and BP contractors, their presence here on the Island has been quite a disruption. National Guard convoys coming to and from the Island, staging areas with hundreds of workers in waiting for the actual arrival of the oil, all contribute to a feeling of being under siege. Most of us who fish and have small boats are taking them out of the water for fear of damage; swimming is now discouraged by the Alabama Dept. of Public Health. All that made this Island a small paradise to live on and work on, is virtually gone for now and with no end to this disaster in sight.

Do not let us down in your oversight of BP. Do not allow BP's gross negligence to stop ACP and others in our efforts to be successful small businesses employing local people and providing stability to the community. BP must be held responsible morally and financially to bring us back the quality of life and the economic well-being we have been striving to maintain.

Thank you,