

G

[« Previous Entry](#) | [Blog Home](#) | [Next Entry »](#)

---

## Global warming law burns Palmwood

3:46 PM Fri, Aug 08, 2008 | [Permalink](#) | [Comments](#) (0)

Posted by: PE Business

**PDF:** [Read the Palmwood ruling.](#)

In a little more than two years, a massive Desert Hot Springs mixed-use development that promised a 400-room hotel, one million square feet of retail space and more than 2,000 homes on a vacant swath of land has turned from could-be to not-likely.

The land is still vacant, and Riverside County Superior Court has ruled its original environmental impact review was faulty.

The Center for Biological Diversity and the Sierra Club won a suit this week against the city of Desert Hot Springs (for approving the project and its environmental review). The group had argued that the project's environmental review was flawed because it failed to wholly evaluate the impacts of the project in total and didn't factor its impact on global warming. They also contended that its descriptions of the existing environment and the project's impact to water supply were lacking and the review wasn't recirculated when new information about impacts on endangered species were received.

The court agreed with the first two.

In 2006 and 2007, the state established laws limiting greenhouse gases and was set to craft guidelines for how to mitigate the gas emissions.

Palmwood's developer and investors argued that at the time they wrote their environmental review, there was no tool or methodology to calculate the project's effect on global warming and any guess would be speculative.

The court said they should have done it anyway:

"Respondent may well be correct about the absence of regulatory guidance ... and that if respondent had made a meaningful attempt to analyze the project's effects upon greenhouse gases or global warming that it would have concluded that such an analysis was entirely speculative. But respondent failed to make such a meaningful attempt and therefore did not proceed as required by law."

The project on 1,766 acres near Highway 62 off Interstate 10 has had a few challenges including infighting that resulted in the ouster of the developer by

Minnesota-based investors and being in the path of an extensive conservation plan in the Coachella Valley.

Ben Howell, lawyer for Palmwood's investors, had no comment Friday afternoon on the decision.

A breach of contract lawsuit filed by Palmwood's original developer Michael Crosby against a group of his investors -- namely the Minnesota-based Breckners -- was dismissed in June after Crosby got rid of his lawyer and decided to represent himself.

Palmwood background:

March 24, 2008 - [Developer of contested Desert Hot Springs project removed](#)

Feb. 7, 2008 - [Investors accuse Palmwood developer of fraud](#)

July 14, 2007 - [Panel re-votes, project loses](#)

March 8, 2006 - [Endangered Dream: Billion dollar resort waits on conservation plan vote](#)

-- Kimberly Pierceall  
[kpierceall@PE.com](mailto:kpierceall@PE.com)