

# The Salt Lake Tribune

## House Speaker Greg Hughes' property holdings appear to disqualify him from the inland port board that he appointed himself to



(Leah Hogsten | The Salt Lake Tribune) House Speaker Greg Hughes, R-Draper, unveiled several school safety and gun violence prevention recommendations the commission is considering to improve campus safety, Wednesday, June 20, 2018 during a press conference at the Utah Capitol.



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Published: 4 days ago  
Updated: 4 days ago

House Speaker Greg Hughes is affiliated with companies that own land within 5 miles of the newly created inland port authority boundaries — a tie that, under current law, would automatically disqualify him from the board he appointed himself to.

That's no problem, says Hughes, who is pushing to change the law to shrink that restriction and rid it of what he says is other ambiguous language.

Hughes is listed on state business records as the manager of Wilkeshire Homes LLC, an expired limited liability company that owns a tiny 0.05 acres at 564 N. 800 West in Salt Lake City. That property is within about 2 miles of the new shipping and receiving hub lawmakers created on more than 20,000 acres of Salt Lake City's land this year.

He is also affiliated with a number of apartment developments along 200 West in Salt Lake City's up-and-coming Central Ninth neighborhood. Measured as the crow flies, the developments are all within the boundary lawmakers set for members of the board of directors that will manage the inland port.

Even if measuring driving distance, The Holden Apartments at 854 S. 200 West and others in that area appear to be just within the designated conflict zone.

Senate Bill 234, which created the Utah Inland Port, prohibits board members from owning or having interests in property within 5 miles of what is planned to be one of the world's largest landlocked rail, truck and air shipping ports.

Already one board member, Sen. Don Ipson, R-St. George, has resigned as a direct result of that conflict prohibition. Ipson was appointed by Senate President Wayne Niederhauser.

Hughes appointed himself to the 11-member board this month.

In an interview Wednesday, Hughes said he had been unaware that his land was within the disqualification boundary until after a contentious inaugural board meeting this week, at which he urged the other members not to elect a chairperson and move forward. He said he found out his land was within the 5-mile buffer the next day, Tuesday.

Besides that, he said, the bill lawmakers passed on the 44th night of the 45-day legislative session this year contained other vague language that he now argues would disqualify any member of the board.

For instance, he said, another provision prohibits board members from taking "any action to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real property" within 5 miles of the port. He said that would include members of the unpaid board, which includes Derek Miller, the new president and CEO of the Salt Lake Chamber.

“My higher priority and my greatest concern is that the way that that statute is written, I think, is problematic for all board members, or those that would be appointed, unless we clarify the language,” Hughes said.

He added that he wanted the state to be cautious because there has been talk about a potential lawsuit that would challenge the boundaries, creation or operation of the port. And he thought some would use his land ownership to force him off the board out of opposition to the port itself.

“There’s people that want me off this board like you can’t believe,” he said. “... There are people that want to make this all about me because they don’t want me on this board.”

The fledgling United Utah Party, intended to be an alternative for Republicans and Democrats disillusioned with polarizing politics, called Wednesday for Hughes to resign because it considers his self-appointment an “egregious violation of the public trust.” Party leaders suggested in a news release — issued before The Tribune scrutinized Hughes’ property holdings — that the speaker could well have a conflict with his development business.

Senate Minority Leader Gene Davis, D-Salt Lake City, also said Hughes should leave the board if his business dealings are within the 5-mile zone.

“You’ve set the rules, you have to live by the rules,” Davis said. “If he’s breaking the rules, he needs to make a reappointment.”

The outgoing speaker’s legislative conflict-of-interest form lists just one company, Steelers Holdings LLC, which is a holding company that serves as a sort of corporate umbrella for a number of other interests for his property management and development business.

In an interview last year questioning whether Hughes was attempting to get around the intent of the disclosure law — to publicly flag potential conflicts — the speaker said he was unaware some 10 companies were still registered with the state and that

was a mistake. He said he was not legally required to list those businesses on his House disclosure form.

Wilshire Homes was not one of the companies identified in the previous Tribune reporting. Its state business license expired in 2007 after not being renewed, but it is still the owner of one of the properties in question.

Many of the other Hughes-related businesses registered with the state own property in Salt Lake City, according to county property records.

Hughes was one of the port's biggest cheerleaders and a relentless behind-the-scenes force in his final session overseeing the Utah House. He has long advocated for the state to control the city's land, saying the development envisioned in the area was too much for Salt Lake City to handle.

Business leaders pitched an inland port as a way to connect Utah's imports and exports — including oil and coal — and those of other states with international and domestic markets.

They also hope to attract manufacturing and other businesses to locate near or on the development in the northwest part of the capital, a largely vacant swath of undeveloped land at the southern edge of the Great Salt Lake and west of Salt Lake City International Airport.

The property ownership continues a rocky start for what is being heralded by supporters as the biggest economic development project in state history.

Yet Hughes might not have had an issue with the boundary if it weren't for last-minute, largely undebated changes by the House on the eve of the final day of the legislative session.

The Senate had passed a version of the bill that prohibited board members from owning property within two miles of the port boundaries. The area carved out for the port in that bill was also smaller than in the House version released and passed

shortly before 10 p.m. on the 44th day of the 45-day session. The Senate quickly concurred with the heavily amended bill, shocking and angering Salt Lake City leaders.

Hughes says he was unaware that the buffer was changed from 2 miles to 5 miles in his chamber until an interview with The Salt Lake Tribune.

Talks between the state and city to iron out differences broke down last month. Hughes and state Sen. Jim Dabakis, D-Salt Lake City, have attempted to push a compromise in continuing negotiations endorsed by the City Council.

Hughes is now advocating for changes that would include decreasing or eliminating the land ownership buffer but would prohibit ownership within the port's boundaries.

“If people want to be critical and they want to find areas to attack this project,” Hughes said, “... we should do our best job of making sure that it's not vulnerable to those things. We should be looking ahead.”

— *Salt Lake Tribune* columnist Robert Gehrke contributed to this report.



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