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Gov. Herbert is 'not eager' to change the conflict-of-interest rules after Speaker Hughes' property holdings come to light. He's not alone.



Utah Gov. Gary Herbert speaks during an interview at the Utah state Capitol, Thursday, March 8, 2018, in Salt Lake City. Herbert says he's open to approving a \$1.65 million lawsuit against California over rules that make coal-fired power more expensive. (AP Photo/Rick Bowmer)



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Gov. Gary Herbert isn't on board with changing the law to allow House Speaker Greg Hughes to remain on the board of the state's new global trading hub in the wake of revelations that Hughes' property ownership make him ineligible for membership.

Hughes is affiliated with at least eight properties within five miles of what is set to become one of the world's biggest land-locked ports on 24,000 acres in Salt Lake City.

Those property holdings – including several apartment buildings on 200 West in Salt Lake City – violate the criteria the Legislature set out in state statute for members of the board that will oversee the development and operation of the port.

Hughes, who is not running for re-election to the Legislature, appointed himself to the board this month.

He now says the five-mile buffer zone and other provisions in the controversial bill that created the port are untenable and is calling for a special session to change the law.

Only the governor has the power to call the Legislature into special session, and he sets its agenda. Herbert's office says removing the conflict-of-interest protections would risk undermining the public's trust in what is billed as the biggest economic development opportunity in Utah history.

"We want the public to be very confident as we launch this that it is being done in the interest of the entire state," said Paul Edwards, Herbert's spokesman. "Going in and changing this, these provisions, at this hour, could raise some real questions of confidence for the public. And we're not eager to do that."

The governor isn't alone.

Sen. Jerry Stevenson, the Layton Republican whose SB234 created the port, said the board should meet, pick an executive director and begin its work. He agreed at the time with the last-minute changes that were made to his bill in the House before it also passed the Senate, but he's since been critical of the process that created the port and the final product.

"The problem we have now is because of 48-hour legislation," Stevenson said Friday. "We will not fix it with six-hour legislation."

Salt Lake City Mayor Jackie Biskupski has been working with Stevenson on changes that could get the city on board with the state's development of a significant portion of city land.

"Additional legislation needs to go through the time-tested process, not a six-hour dog and pony show," the senator added. "There are many who can serve well outside the five-mile limit. We can repair the legislation through a more regular process."

Salt Lake City Councilman James Rogers, who represents a district that includes part of the port, also owns property within the five-mile radius.

In an interview this week, Hughes said Rogers' ownership shows the radius should be changed in a special legislative session.

"We specifically want the member of the Salt Lake City Council who is closest to the people" to be on the board, Hughes said of Rogers.

Because the port's boundaries include large portions of two Salt Lake City Council districts, it was up to Rogers and Councilman Andrew Johnston to decide who sits on the board. The two agreed to have Rogers represent the council on the board, Johnston said. With Rogers' membership now in question now, Johnston said he continues to support his colleague but would be ready and willing to step in if needed.

Like Hughes, Rogers is calling for changes that would allow him to stay on the board.

"I absolutely support transparency and strong ethical standards," he said in a written statement. "The sweeping five mile radius may not be the best tool to assure there are no conflicts of interest. Any disclosure of personal or professional financial benefit would better address any potential conflicts."

Sen. Don Ipson, a trucking executive from St. George, resigned his post on the board when it was discovered he owned five acres of land and a warehouse near the port. He was appointed by outgoing Senate President Wayne Niederhauser, who didn't respond to requests for comment on Friday.

Amid what Hughes said at the time were ambiguities about provisions in the law, he worked to hit pause at the first scheduled meeting of the board on Monday. He said Wednesday he was unaware that his property holdings were within the five-mile buffer until the day after the aborted meeting.

The board has now missed a deadline set out in the bill for drafting a budget for the port, and Herbert and other members want to get on with it.

"I don't want to miss the whole month of July without convening again and moving forward. I think that would be lost time," said Derek Miller, a Herbert appointee to the port board who is president and CEO of the Salt Lake Chamber. "We need to have

a board that hires an executive director who ... has the responsibility to execute on the decisions the board makes.”



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