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Utah: Controversial UTA Board Member Diehl Resigns

BY LEE DAVIDSON ON SEP 10, 2014

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Controversial Utah Transit Authority board member Terry Diehl announced Wednesday that he is resigning under pressure -- and the board gave him a parting gift by waiving for him a normal yearlong ban against former members doing business with the agency.

Diehl says he is interested in developing land around transit stops. But a legislative audit last year said Diehl may have earlier broken state law and misused official information by trying to benefit from a potential UTA commuter-rail station in Draper by buying rights to develop land around it.

While Diehl's announced future plans don't involve that Draper site -- he earlier sold off his development rights there -- "We thought that it is best that he not pursue such endeavors from the perch of the UTA board," said UTA Board Chairman Greg Hughes, who is also a state legislator, to The Salt Lake Tribune after the board's meeting. "We feel he needs to move on."

Hughes said that while, as a board member, Diehl could legally seek to develop land around transit stops as long as he properly discloses interests and recuses himself from related UTA Board actions, "We feel the best course forward is for this trustee to do these things off the board."

"I'm a developer. That's what I do for a living," Diehl said. "I hope that I will be able to do some transit-oriented development," sometimes done on UTA-owned land by private developers. "I don't have anything specific [planned] right now. But that's what I hope to do over the next 10 or 15 years."

He added, "I could have stayed on the board. But everybody would have said it's a conflict of interest, even though we have legislation that allows me to do that. I just felt like, rather than drawing more controversy to this agency, it was best for me to step aside and go do my business."

Diehl and Hughes differed on how much pressure was put on Diehl to resign amid such plans. Hughes initially said Diehl was asked to resign.

Diehl, however, said, "He didn't ask me to resign. I offered it up, and we both agreed."

After Diehl's comment, Hughes told The Tribune, "We had a situation we had to work through. I'll just say we had to come together, and we explored the options thoroughly, and this is what we came up with."

Hughes added, "I don't want Terry's service on this board defined by his critics. He has been an incredible help" and his resignation "is a big loss to the UTA."

Diehl said he expects to submit a formal resignation letter within two weeks, after finishing some final business.

The board -- after about an hour in closed session -- emerged and passed a resolution Wednesday that exempts Diehl from the normal restriction against former members doing business with the agency for at least a year.

Hughes explained the move by saying that, without the waiver, Diehl actually could more easily be involved in transit-oriented development if he stayed on the board than if he left. On the board, he could be involved as long as he properly disclosed conflicts of interest, but as a former board member, he would be totally banned from any involvement for a year.

"If you stay on the board, there are more pursuits available to you than if you were to leave the board. So to make, at least, his leaving the board no more prohibitive than staying, we want to make that transition," Hughes said.

Claire Geddes, a community activist who has been a critic of Diehl and UTA, said, "I'm glad he's upfront and honest about it [his plans for transit-oriented development] now. But the problem is, it still gives him an inside track that others don't have. He has plenty of good friends on the board," which Geddes said was shown by their parting-gift waiver.

Zach Frankel, executive director of the Utah Rivers Council and a critic of Diehl and UTA concerning transit sites that affect wetlands, said the board's "parting gift to this board member demonstrates how out of step they are with taxpayers. ... In the face of allegations of civil misconduct, I don't believe other agencies would get away with what UTA has."

After the resolution passed -- Diehl had left the room during the vote -- and Diehl's resignation was publicly announced, several tearful board members came and offered hugs and thanks to Diehl for his 10 years of service on the board.

After numerous news stories looked at whether UTA tried to move a Draper rail site to benefit potential development by Diehl, a legislative audit last year determined that Diehl may have violated laws.