

TTD to keep BlueGo buses rolling on the South Shore

By Joann Eisenbrandt

The wheels on BlueGo buses have been going round and round for years, but they have not been able to get riders to their destinations efficiently, reliably and affordably. The City Council is hoping its unanimous approval of an interim funding and service agreement between the city and the Tahoe Transportation District on Oct. 5 to manage the coordinated transit system most recently run by South Tahoe Area Transit Authority will be a positive new step.



TTD was created under Article IX of the Tahoe Regional Planning Agency Compact. Its board includes representatives from the public and private sectors. TTD is responsible for implementing transportation plans and projects, and can own and operate transportation systems and/or facilities.

Under the contract approved Tuesday, it will be the governing body of BlueGo, responsible for its day-to-day management.

A South Shore Transit History

Bus service on the South Shore has a long, but not always successful history. In 1985, local Ken Daley formed ATM (Area Transit Management) and began running STAGE (South Tahoe Area Ground Express), the predecessor to BlueGo. Daley sold ATM in 2006. Operational and financial problems followed under the new ownership. In late 2008, ATM abruptly stopped service, leaving the buses and bus barns in disrepair.

STATA, a nonprofit Nevada umbrella agency, was formed to create a coordinated public/private transit management entity. Funding for STATA came from grants, state and federal

governments and money from the member partners, which included the South Lake Tahoe, El Dorado County, Douglas County, TRPA (non-voting), TTD, Ridge Resorts, Harrah's, Harvey's, Lakeside Inn, MontBleu, Horizon and Heavenly Mountain Resort.

STATA contracted with MV Transportation to run the transit service, which included BlueGo, Nifty 50 Trolley, Heavenly ski shuttles, and routes to Carson City and the Carson Valley. MV faced financial challenges from the outset. Cleaning up the problems left by ATM was expensive. STATA worked on a cash-in cash-out basis. From the start, more cash was going out than coming in. Service reductions and bus route manipulation didn't solve the problem. In May 2010, MV threatened to walk away if it didn't get the more than \$2 million it contended STATA owed it. In late May, STATA terminated MV's contract.

STATA then contracted with TRC Consultants, a firm it had used earlier to assess the system and make recommendations on cost savings. MV Transportation filed lawsuits against TRC, STATA and its individual members. STATA's assets were frozen; the lawsuits remain unresolved and mediation has so far been unsuccessful.

STATA subsequently made route and service changes, eliminating Meyers Route 40 and Zephyr Cove Route 22 and enhancing Highway 50 service from 60-minute to 30-minute intervals to fill in the gaps.

In late June, El Dorado County pulled its \$181,000 in funds allocated to STATA for fiscal year 2010-11. County concerns focused on liability because they were not on the certificate of insurance, and on STATA's failure to release the 2009 state audit.

In July, STATA brought in TTD to handle the day-to-day transit operations through Sept. 30, 2010. TRC retained its earlier contract to actually run the buses. Rumors about STATA filing for bankruptcy had been swirling for some time, but had been

consistently denied. State and federal agencies had become nervous about their precarious financial situation, with the Nevada Department of Transportation threatening to pull their funding because of the instability. On Aug. 13, 2010, the STATA board voted to file for Chapter 11 bankruptcy protection in Nevada.

At its Sept. 10 meeting, the STATA board approved more route changes, including the elimination of Routes 52, 54 and 55. These changes became effective Oct. 3.

Handoff to TTD

The transit hot potato is now in TTD's hands. The money the city will use to fund the agreement come from the state under the Transportation Development Act (TDA), one of the main sources of public transit funding in California. No general fund monies will be used.

TTD also signed a lease agreement for use of the South Tahoe transit facilities, including the bus garage on Shop Street and the South Y Transit Station on Emerald Bay Road at \$3,000/month, and a license agreement for the Y transit facility, Stateline Transit Center and all bus stop locations in the city.

"Each entity that is a part of STATA is giving TTD their assurance that the funding they provide now to STATA will continue as TTD takes over management of the transit service," said Assistant City Manager Rick Angelocci.

City Attorney Patrick Enright explained to the council that this is a "short-term resolution" to the problem, which will allow time for STATA's future and pending lawsuits to be resolved. The TTD board is expected to approve the agreement next week.

Not everyone thinks this is the best solution. Councilman Bill Crawford told *Lake Tahoe News*, "TRPA is a total failure when

it comes to public transportation in the basin. They are supposed to be the planning deity. If we want a regional transportation system in the basin, it should be federally funded, since TRPA was created under a federal charter. It should be TRPA's responsibility."

Crawford added, "STATA had too many players. The city had a reliable bus system that worked years ago. It should run its own system, one with fares that the working class citizens of the community can afford."

When asked by *LTN* why the city doesn't consider running an independent bus system again, Angelocci cited inconsistent funding.

According to Angelocci, STATA designed its routes and services based on the total amount of funding it expected – close to \$5 million – when in fact the actual funding received was about \$3.6 million.

Tahoe transit's future

As of Sept. 30, most members of STATA had withdrawn their funding from that entity and provided letters approving the takeover of the transit system by TTD. Lakeside Inn, Ridge Resorts, Heavenly and TTD remain part of STATA.

At present, STATA still exists, but should board members choose to file Chapter 7 bankruptcy, the entity will then dissolve and their assets and funds will be distributed according to bankruptcy law.

TTD does not want this management role long-term. An RFP will go out in December. The precise configuration of that RFP, Angelocci explains, will determine "who takes over and does what. TTD could retain part of the responsibility, or none, but this RFP will dictate the future of our transit system."