Settlements being reached in MV-STATA bus case

By Kathryn Reed

Whether MV Transportation ever gets the $2 million it believes it is owed by a slew of South Shore entities may never be known because details of settlement agreements are only trickling out.

Lake Tahoe News has been told the casinos and lodging property involved in the legal dispute have settled. TRPA has confirmed it has settled.

“I am not at liberty to discuss this with you,” Dan Garrison, senior vice president-general manager of Ridge Tahoe, said when asked if it’s true the Ridge has settled. He would neither confirm nor deny a settlement was reached.

“Heavenly does not comment on open litigation,” Heavenly Mountain Resort spokeswoman Sally Gunter told *LTN*.

Neither Mike Bradford nor Stacy Noyes with Lakeside Inn responded to questions. Noyes had been on the transportation board that was sued. At one time all the board members were named as defendants, but they were eventually dropped from the case.

The defendants are:

• STATA

• Tahoe Regional Planning Agency

• Douglas County

• South Lake Tahoe

• Heavenly Mountain Resort

• Tropicana Entertainment

• Harrah’s Operating Company

• Harvey’s Tahoe Management Company

• Lakeside Inn

• Horizon Casino

• Lake Tahoe Casino Realty

• Columbia Properties Tahoe

• Ridge Tahoe Property Owners Association

• Tahoe Transportation District.

The quagmire has been going on for three years.

Fairfield-based MV had signed a three-year contract in summer 2009 to run the day-to-day operation of the bus service on the South Shore that included BlueGo, Heavenly ski shuttles, Nifty 50 Trolley, routes to Carson City, and service into Carson Valley.

MV filed a lawsuit against South Tahoe Area Transit Authority – which was the overseer of the bus operations – after the agency severed the contract within a year. STATA filed for bankruptcy on Sept. 13, 2010. MV that year filed a complaint saying it was owed $2 million for services rendered and another $1 million in lost revenue.

(Tahoe Transportation District has since taken over the operation of the bus service.)

In January this year U.S. Bankruptcy Court Judge Gregg Zive sent the case to mediation. Mark Shinderman with Milbank Tweed, Hadley & MCloy LLP in Los Angeles was selected to be the mediator.

The last settlement hearing was Sept. 3.

More news could be forthcoming this week. The South Lake Tahoe City Council will discuss the matter in closed session on Sept. 17. To date the city has spent more than $100,000 on outside legal counsel to defend the case. City Attorney Tom Watson says his policy is to not talk to the media about anything.

South Lake Tahoe City Manager Nancy Kerry told *Lake Tahoe News*, "The city hopes to find a resolution, but if we are unable to find a resolution, we are willing to litigate."

Most of the government agencies' transportation dollars are from the state or federal governments. That money is called a pass-through as it is given to an agency like STATA or TTD. Government entities contend they paid the money they were supposed to pay and should not have to pay more.

That was not El Dorado County's philosophy at the time. At the get-go the county settled for $160,000.

It has not been disclosed how much MV would like from each entity.

The TTD board is having a special meeting Sept. 18 at 1pm to only discuss the settlement with MV. One of the agenda items it take possible action.

The Tahoe Regional Planning Agency Governing Board has agreed to settle its two issues that amount to writing a check for $16,000. Scott Lichtig, attorney for TRPA, said the bi-state agency was once a creditor and it was agreed that it would receive $34,000, while at the same time having to settle the other portion of the case for $50,000.

TRPA was a non-voting member on the STATA board. It also leased space to STATA like it does now to TTD.

Attorney David Thompson, the federal bankruptcy trustee

appointed by Zive, was not available for comment, nor was the MV attorney.

Sources have told *Lake Tahoe News* more settlements are likely this month, while some defendants will choose to have their day in court.