



FOR IMMEDIATE RELEASE
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Metropolitan Airports Commission Board Approves Proposed Settlement of Noise Lawsuit

~MSP Airport Continues to Lead Nation in Airport Noise Mitigation~

MINNEAPOLIS/ST. PAUL—The Metropolitan Airports Commission (MAC) board today voted to approve a proposed settlement in a noise mitigation lawsuit brought by the cities of Minneapolis, Richfield and Eagan together with the Minneapolis Public Housing Authority.

“The proposed settlement represents a reasonable, financially responsible plan to address aircraft noise concerns among residents around Minneapolis-St. Paul International Airport,” MAC Chairman Jack Lanners said. “If approved by city leaders and Hennepin County District Court, the agreement will bring noise relief to thousands of area residents and closure to an issue that has generated years of public policy debate.”

The Metropolitan Airports Commission has long been a national leader in airport noise mitigation. In the past 15 years, the MAC has spent more than \$360 million insulating or acquiring homes, multi-family dwellings and schools in the 65 DNL noise contour and greater. (DNL means Day-night Level, the federal metric used to measure noise around airports). The Federal Aviation Administration defines areas in the 65 DNL and greater as being significantly impacted by airport noise. The cities’ lawsuit – and a separate class action lawsuit brought by residents around the airport – stemmed from disagreements over the amount of mitigation appropriate in the 60 to 64 DNL contours, which are outside the federal standard for noise mitigation.

“Our goal is to provide a mitigation program commensurate with noise impacts,” Lanners said. “Homes in less-impacted noise contours do not need as extensive a mitigation program to achieve appropriate interior noise reduction. The proposed settlement takes into account the amount of mitigation needed in particular areas and ensures every dollar provided goes toward purchase and installation of noise-reducing improvements.”

The Proposed Agreement

Under the proposed settlement agreement, the MAC would provide mitigation to homes in the 60 to 64 DNL contours. Mitigation activities would vary based on noise contour, with homes in the most noise-impacted contours eligible for more extensive mitigation

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than those in less impacted areas. Multi-family dwellings (those with more than three living units) would receive less extensive mitigation than single-family homes. The total cost to MAC is uncertain until the program is complete, but it is estimated the proposal could cost as much as \$130 million to implement.

Four separate residential noise mitigation programs are included in the agreement. Costs depicted in each of the four programs are in 2007 dollars and will be adjusted annually for inflation according to the Consumer Price Index:

Single-family Homes in the Projected 2007 Mitigated 63-64 DNL Noise Contours

The approximately 432 homes in the most noise-impacted contours would be eligible to receive the same level of noise mitigation provided in the 65 DNL contour and greater. The program is designed to achieve five decibels of noise reduction on average. Depending on the improvements needed to reduce interior noise sufficiently, modifications could include: central air conditioning; exterior and storm window repair or replacement; prime door and storm door repair or replacement; wall and attic insulation; baffling of roof vents and chimney treatment. Construction would be scheduled for completion by December 31, 2009.

Single-family Homes in the Projected 2007 Mitigated 60-62 Noise Contours

Owners of the approximately 5,344 homes in less noise-impacted areas would be eligible for one of two mitigation packages: 1.) The estimated 3,421 homes that did not have central air conditioning as of September 1, 2007 could receive it. In addition, homeowners would get up to \$4,000 (including installation costs) in other noise mitigation products and services they could choose from a menu provided by the MAC. 2.) Owners of homes that already had central air conditioning installed as of September 1, 2007 or who choose *not* to receive central air conditioning would be eligible for up to \$14,000 (including installation costs) of noise mitigation products and services they could choose from a menu provided by the MAC. Categories of products on the menu will include: exterior and storm window repair or replacement; prime door and storm door repair or replacement; wall and attic insulation; baffling of roof vents and chimney treatment. Construction is scheduled for completion by December 1, 2012.

Multi-family homes in the projected 2007 mitigated 60-64 DNL Contours

Any of the approximately 1,931 multi-family units in the projected 2007 mitigated 60-64 DNL contours that do not have air conditioning would receive through-the-wall or equivalent permanently installed air conditioners. The MAC also will install an acoustical cover for each air conditioner in the multi-family units. Installation is scheduled to be complete by December 1, 2010.

\$7 Million Total for Opt-Out and 2005 Mitigated Single-family Homes

Single-family homes whose owners opted out of the already completed MAC noise-mitigation program but that now have new owners would be eligible to "opt in" and

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receive noise mitigation. If the total cost to MAC of opt-in mitigation is less than \$7 million, any remaining monies would be used to reimburse owners of the approximately 1,835 single-family homes in the 2005 Mitigated 60-64 DNL contours for purchase and installation of products included on a menu provided by the MAC. The amount each homeowner receives will be determined by subtracting dollars spent for the opt-in program from the total \$7 million budget and dividing the remainder among the total number of single-family homes within the 2005 60-64 DNL contours. The MAC would begin to issue reimbursements by March 1, 2010 and would complete them by July 31, 2014. The total the MAC will spend on the opt-out and 2005 program all together is capped at \$7 million.

The MAC would also pay the cities \$2.5 million in attorney's fees.

Owners of single-family homes participating in the program who sell the home within two years of receiving mitigation could be required to reimburse the MAC for twenty-five percent of the cost of providing the mitigation, up to a maximum of \$3,500 per home.

"The whole point of the noise mitigation program is to reduce the impacts of aircraft noise on people living near the airport," Lanners said. "We want to discourage profiteering by individuals who might otherwise purchase homes in the area simply to receive the MAC improvements, only to turn around and sell the properties shortly afterwards for a profit."

People can identify where their home sits in relation to the 2007 noise contours through the MAC's noise program Web site, www.macnoise.com/maps

City councils in Minneapolis, Richfield and Eagan are expected to act on the proposed settlement tomorrow. The Minneapolis Public Housing Authority also is evaluating the proposed agreement.

Possible Impacts on the Separate, Class Action Lawsuit Brought by Citizens

In June, the MAC announced a proposed agreement with representatives of more than 4,400 homeowners in a separate class action lawsuit. The settlement proposal reached between the MAC and citizens' representatives would provide nearly \$65 million in noise mitigation for members of the class.

That proposed settlement would benefit owners of approximately 4,413 single-family homes located within the 60 to 64 DNL Mitigated 2007 noise contours. Unlike the proposed settlement in the cities' case, which would provide benefits to all homes in any blocks touched by the noise contour line, the class action settlement includes only properties that themselves lie within the contour; properties that are on the same block but lie outside the contour would not be eligible.

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Under the proposed class action settlement announced in June owners of homes currently without central air conditioning would receive it – including ducting and finishing work - free of charge. In addition, they would receive a \$1,750 value for purchase and installation of noise mitigation products or cash reimbursement for eligible improvements made within the past five years. Up to \$750 of that amount could be applied to the attorneys' fees of the citizens in the class action suit if approved by the court.

The proposed class action settlement also provides that those homes that with existing central air conditioning would receive \$9,250 for the purchase and installation of noise mitigation products or cash reimbursement for eligible improvements made within the past five years. Again, up to \$750 of that amount may be applied to the attorneys' fees of the citizens in the class action suit if approved by the court.

Lawyers in the class action suit have waited to seek the judge's approval of that settlement agreement in order to assess the outcome of talks between the MAC and the cities involved in the cities' lawsuit.

If the cities, the Minneapolis Public Housing Authority and the judge all approve the settlement proffered by the MAC board today in the cities' lawsuit, the MAC will propose that representatives and members in the class action suit also accept those terms.

If the judge does not agree to apply the terms of the cities' settlement to the class settlement within 90 days of accepting the agreement in the cities' case, the settlement in the cities' case becomes void and the cities' lawsuit is reinstated.

The Federal Aviation Administration also must advise the MAC that the settlement agreement with the cities is an appropriate use of airport revenue and consistent with federal grant obligations by November 30, 2007, or the agreement is null and void.

“Our goal is to achieve a single settlement of both suits,” Lanners said. “The result will be a consistent, reasonable, financially responsible approach to noise mitigation around Minneapolis-St. Paul International Airport.”

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