

- 09/19/86 The Court of Appeal overturns Judge Marler's decision. The Court of Appeal's unpublished opinion was based on the applicable statute of limitations and did not discuss the merits of the CEQA issues decided by Judge Marler. The Court of Appeal remanded the case to the trial court for the adjudication of the remaining issues and causes of action. (People of the State of California v. City of South Lake Tahoe, California Third District Court of Appeal No. 3 Civil 25547).
- 12/12/86 The City, TRPA, California and League settle the enforcement of the TRPA Cease and Desist Order. The settlement limits AirCal flights to a maximum of 19 per week/3 per day and required the City to contribute \$35,000 for the purchase of a noise monitoring system. All contentions in the pending litigation were reserved. The settlement is confirmed by concurrent Court orders in People/League v. TRPA and City v. TRPA.
- 05/01/87 The City, the TRPA, California, The League and AirCal agree to the Interim Service Agreement (ISA) which allowed 5 flights per day during the summer of 1987 for testing and data gathering purposes to complete the Airport Master Plan. It also provided for the permanent noise monitoring and noise complaint system to be maintained by the City. The ISA is confirmed by concurrent Court orders in People/League v. TRPA and City v. TRPA.
- 05/20/87 As required by the ISA, the Airport Consensus group agrees to a specific Work Program for the completion of the Airport Master Plan.
- 07/01/87 American Airlines (AA) purchase of Air Cal is completed and the AirCal 1983 lease is assigned to AA. California subsequently supplements its first State Court lawsuit to include allegations regarding the AA lease and related City approval. People v. City I.
- 05/03/88 The TRPA, the City, California, the United States and American Airlines agree to hold the City v. TRPA case in abeyance pending completion of the Airport Master Plan by the Airport Consensus group pursuant to the ISA and the Work Program. (A similar agreement

was reached in the two pending State Court cases. People v. City I & II.) Negotiations and Airport Consensus group discussions have been continuing with periodic status reports to the District Court.

6/1/91 AA discontinues transport category airline service to the TVL.

c. Airport Consensus Discussions

It is unnecessary to set forth in these recitals the various contentions of the parties regarding the applicability of the various laws and regulations listed above with respect to TVL operations. It is sufficient for these purposes to note that, as outlined in the above chronology, the parties have disputed these issues in continuous judicial and/or administrative proceedings. Eventually, frustrated with the stalemate created by the litigation and other adversary proceedings, a series of settlement discussions, in the form of a "consensus" approach (and otherwise) ensued. Those discussions, while lengthy and difficult, resulted in the fundamental principles which make up the substance of this Agreement. Essentially, the parties herein have agreed to request the U.S. District Court to enter into a judgment in the case of City v. TRPA, confirming and incorporating this Agreement, which would clarify, and in some cases revise, those TRPA regulations in place at the TVL, so as to make the TVL a functional part of the national aviation system, while still retaining environmental regulations consistent with the purpose and intent of the TRPA Compact, thresholds and Plan.

d. Nature of Agreement.

i. Reservation of Rights - General

Except as specifically set forth herein, the parties hereto reserve all their rights and contentions with regard to any and all other factual, legal or administrative issues concerning TVL facilities or operations.

ii. Reservation of Rights - Individuals

The parties understand that some individuals associated with them in various capacities may have different views on TVL issues. Therefore, the parties' acceptance of this Agreement is not intended to and does not affect or limit the

individual rights of their officials, employees, directors or members. All of these individuals retain all of their constitutional rights of free speech and association and other rights which they would have in the absence of this Agreement, including the right to express opinions or make comments in public or private forums, either orally or in writing, and the right to join and participate in other organizations which may have different views concerning this Agreement. Specifically, so long as no individual associated with the parties as defined above speaks on behalf of a party or represents that it is the position of a party when engaging in otherwise lawful actions, such actions shall not constitute evidence of bad faith or breach of this Agreement by any party or individual. Further, this Agreement shall not form the basis for any allegation that any individual associated with the parties, when not acting on behalf of one of the parties, has engaged in activities inconsistent with this Agreement or has violated the rights of any of the parties or any other persons.

iii. Reservation of Rights - League

The League has consistently expressed its concern that the levels of service and numbers of passengers contemplated by the Master Plan may be excessive and may have adverse environmental effects which cannot be fully mitigated. The League has nevertheless concluded that it is no longer in the best interests of any of the parties to pursue these issues through litigation or administrative proceedings. Accordingly, the League has entered into this Agreement to ensure that the levels of service, numbers of passengers and facility improvements do not exceed those specified in this Agreement and to ensure that the mitigation measures required by this Agreement are implemented in an effective manner. Therefore, by signing this Agreement the League does not endorse the Master Plan and related documents which are necessary to implement this Agreement and reserves the right to remain neutral as to those plans and documents. However, so long as the actions of the City and TRPA in adopting an Airport Master Plan and related documents are in full accord with all of the terms of this Agreement, the League will not object to the terms of these plans and documents or otherwise publically attack the terms of these plans and documents; however, the League

reserves the right to publicize in communications to its members and otherwise the contents of this clause (iii). Further, the League makes no commitment to any aspect of the Master Plan beyond the first ten years (Phase I) and specifically reserves the right to object to any aspect of the Master Plan which is presented to TRPA for approval after ten years (Phases II and III). However, it is understood and agreed that the League may take steps to enforce this Agreement for twenty (20) years following the adoption of the Master Plan.

iv. Reservation of Rights - TRPA

TRPA reserves the right to enforce its permit conditions, to insure compliance with the provisions of this Agreement, including those concerning noise, by any and all lawful means at its disposal including, but not limited to, Article VI (1) of the Compact.

v. Intent of Parties Concerning the Airport Noise and Capacity Act of 1990

The applicability of ANCA to the City and TRPA noise and flight limitations at the TVL has not been resolved and is disputed. Rather than litigating to what extent ANCA is applicable, it is the understanding, and the express intent of the parties hereto to confirm through a stipulated judgment in City v. TRPA, that all the TVL rules and regulations set forth herein are "grandfathered" under the terms of ANCA, assuming ANCA is applicable.

vi. Termination of All Existing Disputes

This Agreement and the resulting Judgment are intended to resolve all presently pending Master Plan and litigation issues concerning the TVL as between the parties to this Agreement. Any future disagreements or disputes which may arise between the parties with respect to this Agreement shall be dealt with in accordance with Section 7c of this Agreement.

vii. Parties

This Agreement has been entered into by the parties in order to resolve existing litigation and avoid future litigation. The City, as the TVL

proprietor and as plaintiff in City v. TRPA, is a necessary party to this Agreement. TRPA, as a defendant in City v. TRPA and People/League v. TRPA and as a result of its environmental threshold carrying capacities and planning and permitting authorities under the Compact, is also a necessary party to this Agreement. California and the League are non-regulatory participants in this Agreement and are parties to this Agreement by virtue of their intervention in the City v. TRPA case and previous participation in People/League v. TRPA. Also, California is the plaintiff in the state court litigation. (People v. City I and II.)

viii. Relationship of this Agreement to the Airport Master Plan, Access Plan, and related documents.

To the extent that any provision of the Airport Master Plan or Access Plan or a related document is inconsistent with the provisions of this Agreement, or with the directives of the confirming Stipulation and Judgment in the City v. TRPA case, the provisions of this Agreement, and the directives of the confirming Stipulation and Judgment, shall have precedence and shall be deemed to be controlling.

2. Term of Master Plan

a. The Master Plan shall be 20 years in length and shall be divided into three Phases:

i. Phase I. Year one through Year 10.

(1) Passengers shall not exceed 300,000 annual enplanements. Any reference to passenger limits in this Agreement shall be deemed converted to seat allocations. This limit shall be determined by the number of available passenger seats vis-a-vis load factor and shall be adjusted annually in accordance with Section 3b of this Agreement.

(2) There shall be a compliance review by TRPA at the end of the fifth year of the Master Plan or of the reinstatement of transport category commercial air service at TVL, as appropriate, to determine the effectiveness of the mitigation measures and to make necessary adjustments. However, a new TRPA

permit will not be required at the five-year review.

- (a) All the mitigation measures shall be reviewed by TRPA at the five-year compliance review. The standard of effectiveness which must be met at the five-year compliance review is indicated in the Compliance Section of each mitigation measure listed in Sections 4 and 5 of this Agreement.
 - (b) If the standards of effectiveness listed in the Compliance Section of each mitigation measure listed in Sections 4 and 5 of this Agreement are not met, then the TRPA shall take appropriate steps to insure the effectiveness of the mitigation measures and that there is compliance with the terms and conditions of the TRPA permit. If the City fails to implement a required mitigation measure, which is within its control to implement, then the TRPA and the City shall require that commercial flights be discontinued until the mitigation measure is implemented by the City.
 - (c) The Airport Access Plan shall require that all leases between an airline and the City shall not preclude any remedial steps required by the TRPA or the City, as allowed or required by this Agreement, at the end of the first five-year period. All such leases shall advise the airline that reasonable additional mitigation measures, or a reduction in or discontinuance of flights, may be required following the five-year compliance review if the mitigation measures to that point have not been effective or implemented. These lease agreements between the airline and the City, as the TVL proprietor, shall be made pursuant to 14 Code of Federal Regulations (CFR) section 161.101(d) and are therefore not subject to Federal Aviation Administration (FAA) review.
- (3) If the TRPA, based on a five-year compliance review, determines that all the Compliance

Sections of the mitigation measures in Sections 4 and 5 of this Agreement have been met and that the mitigation measures have been effective in offsetting the environmental impacts of airline service at the TVL, then the City may initiate runway improvements between year five and year 10 of Phase I so as to permit heavier aircraft to use the TVL in Phases II and III of the Master Plan. However, except as provided in Section 3f(i)(3) of this Agreement, actual service with such heavy aircraft shall not commence until the commencement of Phase II (i.e., beginning no earlier than Year 11 of the Master Plan).

ii. Phase II. Year 11 through Year 15. If consistent with this Agreement and approved by TRPA then:

- (1) The passenger enplanements shall not exceed 430,000 passengers annually.
- (2) Airline service using heavier transport category aircraft may commence.

iii. Phase III. Year 16 through Year 20. If consistent with this Agreement and approved by TRPA, then:

- (1) The passenger enplanements shall not exceed 560,000 passengers annually.

b. TRPA must review and adopt the Master Plan prior to the commencement of Phase I.

i. In addition to obtaining a TRPA permit before commencing Phase I, the City shall obtain a new TRPA permit before commencing Phase II and another new TRPA permit before commencing Phase III.

ii. Increases contemplated for Phases II and III may be permitted by City and TRPA only if, in addition to other requirements in effect at the time, the TRPA determines that the Compliance Sections of the mitigation measures have been met and that the environmental impacts associated with the then-existing passenger and service levels have been offset.

iii. If the necessary criteria for subsequent phases of the Master Plan are not realized at the end of each Phase of the Master Plan, then the passenger

level shall not be increased. The number of allowed passengers shall be reduced in subsequent phases to make the mitigation measures fully effective. Prior to any such reduction, the City and TRPA may, in conjunction with all other interested parties, review and evaluate other potential mitigation measures, if any, which could avoid the need for such a reduction.

- iv. The flight levels and passenger levels in this Agreement are maximums subject to compliance with this Agreement and the Master Plan particularly including the mitigation measures in Sections 4 and 5 of this Agreement. To minimize the risk of a challenge based on ANCA, the City shall place in its airline lease provisions that a reduction in flights or passengers may be required as a result of the Phase I Five Year Compliance Review or Phase II or Phase III environmental review and that any such reduction is a consequence of an agreement pursuant to 14 CFR section .161.101(d) between the airline and the City, as the TVL proprietor and is therefore not subject to FAA review under ANCA.
- v. In the event of a third-party challenge to a reduction in flight and passengers required by this Agreement, all parties will support the City to the extent feasible in defending against any such challenge.

3. Project Description.

a. Noise Standards and Enforcement

- i. The airport noise standards, and related provisions, described in this Agreement shall apply only at TVL and only for aviation purposes. These standards shall not be used for any other purpose and shall be subject to the following general provisions.
 - (1) The noise corridor for the TVL is described as follows: The airport noise corridor shall be defined as the area within a rectangle which includes the 1982 annual average 60 dBA CNEL airport noise corridor contour. The TVL transportation corridor extends 850 feet from the runway centerline on each side. From the north end of the runway the corridor extends 5,100 feet to the north. The corridor extends 2,200 feet south of the south end of

the runway. The airport transportation corridor is graphically depicted in Exhibit B, attached to, and incorporated in, this Agreement.

- (2) The single event noise standards applicable to all aircraft operating at the TVL shall be measured and applied in terms of Lmax.
- (3) A strict enforcement program shall be enacted as a deterrent for unwarranted noise events. Enforcement shall be as set forth in the Access Plan attached hereto and incorporated as Exhibit A.
- (4) One noise monitor (Site 3) is approximately 50 feet higher and therefore closer to monitored aircraft than the monitoring site elevation suggested in FAA Circular 36-3 Series which was used to establish the measuring point for the TRPA thresholds. This elevation difference results in an increase in the measured dBA level of aircraft at Site 3. To offset this difference in elevation the readings from the noise monitor at Site 3 will subtract 1.5 dBA.
- (5) The readings from each of the monitors shall be measured separately and not averaged with the readings received from other monitors.

ii. The parties agree that the existing TRPA phased implementation schedule for implementing the single event noise standard for arrivals as stated in the thresholds may be amended as follows:

- (1) Footnote 1 on page 8 of Exhibit A to TRPA Resolution No. 82-11 may be amended to read as follows:

"The single event noise standard of 80 dBA Lmax for aircraft departures at TVL shall be effective immediately. The single event noise standard of 80 dBA Lmax for aircraft arrivals at TVL is not to be effective until ten years after the adoption of an Airport Master Plan by TRPA. The schedule for phasing in the 80 dBA arrival standard shall be based on a review and consideration of the relevant factors, including best available technology and environmental concerns, and shall maximize the reduction in noise impacts

caused by aircraft arrivals while allowing for the continuation of general aviation and commercial service. The beginning arrival standard shall not exceed 84 dBA for general aviation and commuter aircraft, or 86 dBA for transport category aircraft."

- (2) It is the intent of the parties that the single event noise threshold changes contemplated by this Agreement be understood as a refinement in the scheduled phase-in of the existing aircraft single event arrival noise threshold. This is a resolution, by way of compromise, of the longstanding dispute concerning whether transport category aircraft could qualify for operations at the TVL. Therefore, it is understood and agreed that neither TRPA nor the City will contend that the threshold changes contemplated by this Agreement constitute precedent for other changes in the single event noise threshold or any other TRPA threshold.

iii. Commercial aircraft with more than 65 seats or weighing more than 60,000 pounds (hereinafter referred to as transport category aircraft) shall comply with the following standards:

- (1) The TRPA single event noise threshold and corresponding City noise regulation for transport category aircraft shall be retained at 80 dBA (Lmax) (departure) and 80 dBA (Lmax) (arrival) except that there shall be a phased implementation of the arrival standard during Phase I of the Master Plan as provided in the TRPA thresholds as amended.
- (2) Also, the parties have a five year goal of trying to achieve 84 dBA (Lmax) for arrivals of transport category aircraft. This goal is for planning and analytical purposes only; it is not a compliance requirement for the five year review.
- (3) Compliance shall be enforced based on a quarterly arithmetic average of the measured noise levels. The noise levels recorded at each monitor shall be averaged separately. Each carrier, and each aircraft type flying for each carrier into the TVL, shall be averaged separately. Enforcement shall be in accordance with the Access Plan. (Exhibit A).

iv. Commercial aircraft with 65 seats or less or weighing less than 60,000 pounds (hereinafter referred to as commuter aircraft) shall comply with the following standards:

(1) The TRPA single event noise threshold and corresponding City noise regulation for commuter aircraft shall be retained at 80 dBA (Lmax) (departure) and 80 dBA (Lmax) (arrival) except that there shall be a phased implementation of the arrival standard during Phase I of the Master Plan as provided in the TRPA thresholds as amended.

(2) Compliance shall be enforced based on a quarterly arithmetic average of the measured noise levels. The noise levels recorded at each monitor shall be averaged separately. Each carrier, and each aircraft type flying for each carrier into the TVL shall be averaged separately. Enforcement shall be in accordance with the Access Plan (Exhibit A).

v. Charters shall be subject to the following noise standards:

(1) The TRPA single event noise threshold and corresponding City noise standard for charter aircraft shall be the same noise standard appropriate to the type and size of aircraft being used for the charter. Thus for charters the standards shall be retained at 80 dBA (Lmax) (departure) and 80 dBA (Lmax) (arrival) except the arrival standard shall be phased in during Phase I of the Master Plan as provided in the TRPA thresholds as amended.

(2) Compliance shall be enforced based on a single event, non-average basis. Enforcement shall be in accordance with the Access Plan (Exhibit A).

vi. General Aviation, as defined in Section 2.27 of the attached Access Plan (Exhibit A), shall be subject to the following noise standards:

(1) The noise standards for General Aviation aircraft shall be retained at 80 dBA (Lmax) (departure) and 80 dBA (Lmax) (arrival) except the arrival standard shall be phased

in during Phase I of the Master Plan as provided in the TRPA thresholds as amended.

(2) Compliance shall be enforced based on a single event, non-average basis. Enforcement shall be in accordance with the Access Plan (Exhibit A).

(3) The City shall maintain a list of presumptively-banned aircraft. If a general aviation aircraft appears in the current version of the FAA's Circular 36-3 Series showing that its noise level is greater than 84 dBA (Lmax) on arrival, or greater than 80 dBA (Lmax) on departure, it shall be included on the presumptively-banned list.

(a) Any operator of an aircraft on the banned list shall be given an opportunity to qualify to operate at the TVL. To qualify, an aircraft must register 80 dBA (Lmax) or less on departure and 84 dBA (Lmax) or less on arrival. Qualification must be achieved over each appropriate monitor. Qualification shall be on a strict compliance basis; no leeway beyond the established 84-80 dBA (Lmax) arrival-departure standards will be tolerated.

(b) If an operator of any aircraft on the banned list lands at the TVL without first qualifying, the operator shall be subject to the enforcement program set forth in the Access Plan (Exhibit A).

(c) Even if an aircraft is qualified to operate at the TVL, any later violation of the noise standards shall be treated as a violation under the enforcement program in the Access Plan (Exhibit A).

(d) The City, when communicating with individuals seeking to qualify general aviation aircraft on the presumptively-banned list, shall not permit qualification testing with light loads or otherwise unrealistic aircraft operations and configurations.

(e) Aircraft using parking slots (tie-downs, T-hangars etc.) shall be subject to the

noise standards for general aviation aircraft. Aircraft on the banned list shall not be allowed by the City to use such facilities except for qualification testing or emergencies.

b. The passenger enplanements at TVL shall be subject to the following terms:

- i. Limits on seat allocation levels shall be used to achieve a "cap" of 300,000 passengers annually during Phase I. Passenger cap figures are intended to be all-inclusive, and shall include passengers of all chartered, commuter and transport category aircraft. However, the passenger cap figures shall not include persons using general aviation aircraft.
- ii. The starting date for calculating the seat allocation limits shall be the commencement of service by a carrier using transport category aircraft.
- iii. Twelve months after the starting date, the seat allocation formula shall be adjusted to include a load factor figure and related seat allocation limit which must be implemented 18 months after the starting date, to ensure that no more than 300,000 annual passengers will be enplaned. Twenty-four months after the starting date, the second calculated adjustment shall be made and its results implemented for the six-month period beginning 30 months after the starting date. Adjustments shall continue to be calculated and implemented every six months thereafter. By making periodic adjustments to the seat allocations, as specified above, the annual passenger levels should match the 300,000 "cap" as closely as possible. A temporary overage in any adjustment period will not be regarded as a violation, but as a factor requiring ameliorative adjustments during the next adjustment period.
- iv. The seat allocation adjustments shall be made in accordance with the preceding subparagraph (iii) and with Section 4.5.4 of the attached Access Plan. However, if the actual enplaned passengers exceed 300,000 in two consecutive years or if the actual enplaned passengers exceed 315,000 in any one year, then the adjustments shall be made in accordance with the formula attached hereto and incorporated herein as Exhibit C, as it may be

updated and revised by the parties, after they meet and confer in good faith, based on the data and experience gathered to that time.

- v. Compliance with the passenger cap shall be determined separately for each calendar year and the passenger count shall begin on January 1 and end on December 31 of each year. There shall be no carrying-over of any given year's passenger count to the next year. Each calendar year shall be considered separately when determining whether there has been compliance with the passenger cap.

c. Flight Levels of Transport Category Aircraft.

- i. For measurement purposes, the year shall be divided into four parts, two high seasons (summer and winter) and two low seasons (spring and fall). The dates for each are:

- (1) Summer High--May 22 through September 15.
- (2) Fall Low--September 16 through November 22.
- (3) Winter High--November 23 through March 1.
- (4) Spring Low--March 2 through May 21.

- ii. During each of the two High periods, there shall be a maximum of 12 flights on any given day, subject to the provisions described below. However, there shall be no more than 10 regularly scheduled flights per day except for flights allowed as extra-sections or charters pursuant to subsection iv. below.
- iii. During each of the two Low periods, there shall be a maximum of 9 flights on any given day, subject to the provisions described below. However, there shall be no more than 8 regularly scheduled flights per day except for flights allowed as extra-sections or charters pursuant to subsection iv. below.
- iv. For each six-month period, consisting of a Summer High and Fall low (May 22 through November 22), and a Winter High and Spring low (November 23 through May 21), the TVL is allowed to draw from specified pools of additional extra-section and charter flights, described below, to achieve the maximum of 12 flights per day during the two high periods and the maximum of 9 flights per day during the two low periods.

- (1) The extra-section pool shall consist of 48 flights in each six-month period.
 - (2) For the first 30 months operations by transport category aircraft, the charter pool shall consist of 15 flights in each six-month period. Thereafter, during the remainder of Phase I of the Master Plan, the charter pool shall consist of 26 flights in each six-month period.
 - (3) Whether drawing from the extra-section pool or the charter pool, or both, the number of flights per day during any High (Winter or Summer) shall not exceed twelve (12), and the number of flights per day during any Low (Spring or Fall) shall not exceed nine (9).
- v. If, on any given day, the actual scheduled or charter flights did not reach the maximum allowed, no additional flights shall be permitted by the City or TRPA on a later day to "make up" for the less-than-maximum flights on that prior day. However, in the event a scheduled or charter flight was cancelled due to weather, mechanical difficulties or other specified factors, as set forth in the attached Access Plan, the flight could be rescheduled and flown within the next 24 hours only, even if that meant that the number of flights in that next day exceeded the maximum established by the rules set forth above. The intent is to allow for bona fide cancellations and to prohibit "scheduled cancellations".
- vi. The following definitions shall be applied to the provisions of this Agreement:
- (1) An aircraft operation is defined as one arrival (landing) of an aircraft or one departure (takeoff) of an aircraft.
 - (2) Except for charters, a flight is defined as two operations: one arrival and one departure. This definition applies regardless of how the flight is designated (e.g., "scheduled"; "trailers"; and "extra sections").
 - (3) A charter flight consists of a maximum of four operations: one arrival with passengers, one departure without passengers,

one arrival without passengers, and one departure with passengers.

- (4) The term "scheduled flight" includes extra-sections but not charters.
- (5) The term "regularly scheduled flight" does not include extra-sections or charters.

d. Charter Policy

In addition to the other terms and conditions outlined in this Agreement, charters shall be subject to the following:

- i. All arriving and departing charter flights, with passengers, shall be met with pre-arranged ground transportation which includes at least one seat for each arriving passenger and one seat for each departing passenger.
- ii. Charter service to the TVL shall not be provided on a regularly scheduled basis or as a substitute for regularly scheduled service.
- iii. All potential charter operators shall have fair and equal access to TVL and to TVL's facilities and the pool of available slots for charter flights. If there are more proposed charter flights than there are slots available for such flights, then, if feasible, the City shall allocate the available slots to the operators using the quietest aircraft.
- iv. The City shall mail a copy of all the rules and restrictions in this Agreement, which are applicable to charter flights, to all charter operators and all local sponsors of charter operations of which TVL has knowledge. The City shall also provide a copy of these rules and restrictions to the operator of each arriving charter flight.

e. Cargo Service.

Any proposal to commence new or expanded regular cargo service to the TVL will require an approval from the City and a TRPA permit. Also, any such proposal may require an amendment to the Master Plan.

f. Facilities.

i. Runway Overlay.

- (1) In Phase I, runway strength shall not be enhanced from its current status of being able to handle aircraft of the following weights:
 - (a) Single-Wheel aircraft not exceeding 70,000 pounds;
 - (b) Dual-Wheel aircraft not exceeding 150,000 pounds; and
 - (c) Dual-Tandem-Wheel aircraft not exceeding 210,000 pounds.
- (2) The City shall not schedule or allow arrivals or departures of any aircraft exceeding the foregoing limits. This provision is intended to exclude heavy aircraft which exceed these weight limits during Phase I.
- (3) In the event, during Phase I, that changes in the airline industry result in an inability to continue transport category air service to the TVL, with aircraft meeting the weight limits set forth in this Agreement, then the parties shall meet and confer in good faith to determine what alternatives exist, if any, to insure the continuity of transport category air service to the TVL under the terms and conditions of this Agreement and any other required mitigation measures. The City shall provide, in leases entered into with commercial carriers, that the carriers shall provide a minimum of 90 days notice of any intent to change aircraft type serving the TVL except for emergencies or equipment breakdown. If receipt of such notice by the City indicates a potential of discontinuance of transport category air service, with aircraft meeting the weight limits set forth in this Agreement, such receipt shall trigger the meet and confer provisions of this Agreement.

ii. Airport Parking.

There shall be no increase in automobile parking spaces or expansion of parking facilities at the TVL.

iii. General Aviation Facilities.

There shall be no general aviation facility improvements that are growth inducing or which will permit additional general aviation operations which violate the noise standards. General aviation facilities may be repaired or maintained, but shall not be increased in capacity, during Phase I unless specifically allowed by this Agreement. During Phase I, general aviation facility improvements shall be limited to the following:

- a. Reconstruction and replacement of the existing general aviation terminal with a new terminal provided that there shall be no increase in the size or square footage of the general aviation terminal. Expansion of the general aviation terminal may be allowed in Phase II or III if all the necessary criteria for subsequent phases at the Master Plan, as listed in the mitigation measures, have been fully satisfied.
- b. Under normal conditions, aircraft parking shall be allowed only on existing paved areas. Aviation parking facilities shall be limited to a maximum of 115 permanent aircraft parking spaces including tie-downs and hangars. Transient aviation parking spaces may be provided as needed on existing paved areas or, if paved areas are not available, on existing compacted areas. To insure that transient aviation parking is not used on a quasi-permanent basis, a modified rate structure shall be adopted by the City which significantly increases the rate charged on any aircraft for the use of transient parking more than 21 days per year.
- c. Construction of up to 50 new T-hangars may be permitted during the first five years of Phase I. Each new T-hangar shall be offset by a reduction of one permanent tie-down. Construction of another 30 T-hangars may be permitted during the second five years of Phase I provided that each such T-hangar is offset by a reduction of one permanent tie-down and provided that the City and TRPA have determined and objectively verified that the 1982 50 and 55 dBA CNEL contours were not

significantly increased during the first five years of Phase I.

d. One new maintenance hangar may be constructed during the first five years of Phase I. Another maintenance hangar may be constructed during the second five years of Phase I provided that the City and TRPA have determined and objectively verified that the 1982 50 and 55 dBA CNEL contours were not significantly increased during the first five years of Phase I.

iv. The commercial terminal facilities may be expanded during Phase I only to the extent necessary to meet FAA standards for passenger safety and convenience to accommodate an annual passenger "cap" of 300,000 enplanements. Terminal facility expansion, which would cause or permit the 300,000 passenger "cap" to be exceeded shall not be allowed or approved by the City or the TRPA during Phase I. There shall be no more than two jetways and two commuter doors.

4. Mitigation Program.

a. Air Quality

The City shall offset equal amounts of nitrogen contribution to the Lake Tahoe nutrient budget by elimination of runoff sources or SEZ restoration as determined by the formula attached and incorporated herein as Exhibit D. The projects needed for this offset and the timetable for implementation are as follows:

i. During the first five years of Phase I, and within six (6) months after scheduled transport category service is initiated, the City shall fund \$500,000.00 toward implementation of the Cove East restoration project.

ii. During the second five years of Phase I, the City shall obtain funding of between 1 and 1.5 million dollars toward the restoration of the Truckee River marsh areas adjacent to, or near, the TVL. The parties anticipate that 90% of the funding for this project will come from FAA matching funds and that it will be linked to an application to the FAA for funds for other TVL improvements.

the City is roughly equal to the direct increase in nitrogen loading from aircraft operations at the airport.

CALCULATIONS AND DISCUSSION: This memorandum assumes that the desired offset is for the increase in NOx emissions from Alternative F in the EIR/EIS (subtracting the NOx emissions of the existing ten small commuter flights). As documented in the attached spreadsheet provided by Gary Rubenstein at Sierra Research, the increased nitrogen loading to Lake Tahoe for which an offset is desired is 0.7 tons/year as N, once the airport reaches the 300,000 passengers/year level. If one assumes that the average enplaned passengers during the first five years is 185,000 passengers and that the number of average flights would therefore be less, the desired offset is about 0.43 tons/year as N. (Calculation: $0.7 \times (185,000/300,000) = .43$)

Following is a calculation of the required offset for the first five years in terms of nitrogen per year.

NOx Deposition from Aircraft Emissions

Aircraft	Flight/Day	Emissions lbs NOx (as NO2)	* Load lbs/Day
737-300	8	13.74	109.9
Lg Commuter (Convair 580)	6	2.34	14
Sm Commuter (Metro III)	(15-10) 5	<u>.44</u>	<u>2.2</u> 126.1

$126.1 \text{ lbs/day} \times 365 \text{ days} = 46,034 \text{ lbs/yr.}$

$46,034 \text{ lbs/yr.} = 23 \text{ tons/yr. as NO}_2$

$(\times 14/46) = 7 \text{ tons/yr. as N}$

7 tons/yr. divided by 10 = .7 tons/yr. as N, annual load to Lake Tahoe

Assuming average annual passenger load = 185,000

$.7 \text{ tons/yr.} \times 185,000/300,000 = .43 \text{ tons/year}$

According to the Upper Truckee River Marsh Restoration project proposal (California Tahoe Conservancy, 12-6-91), the cost of the proposed SEZ restoration project, including removal of 8 acres of fill at \$100,000 per acre, is about \$1.6 million. There appears to be a threshold cost of about \$1 million, under which a project could not be constructed. Thus, the City's proposed contribution of \$500,000 could support about half the cost of the

- iii. The City shall coordinate the implementation of both of the projects listed above with the California Tahoe Conservancy.
- iv. Prior to Phase II of the Master Plan the City shall demonstrate that these projects are constructed, or that it has performed equivalent mitigation in accordance with the nitrogen offset formula described in Exhibit D, and must demonstrate that the nitrogen deposits to Lake Tahoe from TVL operations are offset in accordance with the formula described in Exhibit D.

b. Vehicle Miles Travelled (VMT) - Traffic

For the purposes of establishing a verifiable and realistic VMT control strategy, the following surveys, measurements, assumptions and formulas shall be utilized by the parties during Phase I of the Master Plan. It is understood and agreed by all the parties that the assumptions contained in the measures and formulas will be tested during Phase I and that the parties will meet and confer in good faith, if required, to resolve any differences which may occur regarding the following surveys, measurements, assumptions, and formulas.

- i. The City shall conduct semi-annual traffic surveys and studies at the TVL. The information to be collected in these additional studies shall include, but is not limited to, the following:
 - (1) The studies shall include information on the traffic related impacts of charter service and the characteristics of the passengers utilizing the charter service.
 - (2) The studies shall identify the market segments served by the TVL by geographical origin, travel mode used to arrive, by socio-economics, and by resident or visitor.
 - (3) The surveys shall be conducted for winter (February/March) and for summer (July/August).
 - (4) The studies shall determine the percent of the passengers, from each market segment, who would have traveled to the Tahoe Basin even if airline service had not been available (diverted passengers). The studies shall also determine the percent of passengers, from

each market segment, who would not have travelled to the Tahoe Basin if airline service had not been available (induced passengers). To make the determination between diverted and induced passengers the following specific question shall be asked: "If there was no direct air service to the Lake Tahoe Airport would you still take this trip?" Those answering "yes" shall be considered diverted passengers and those answering "no" shall be considered induced passengers.

- (5) The surveys shall also determine the alternative mode of transportation which would have been used by diverted passengers to get to the Tahoe Basin.
- (6) The surveys shall determine the length of the passenger's stay in the Tahoe Basin, mode of travel used in the Basin, and whether the length of stay was affected by the availability of air service.
- (7) The surveys shall also include the following questions:
 - (a) If there was no direct air service to the Lake Tahoe Airport, would your alternate destination include a visit to this area?
 - (b) If you were to fly to another airport, what mode of travel would you have taken from that airport to Lake Tahoe?
 - (c) While in the Tahoe Basin how many trips per day did you take?
 - (d) What was your mode of travel while in the Tahoe Basin?
 - (e) How did you travel to and from the Lake Tahoe Airport?

- ii. The data collected in the semi-annual surveys shall be used to measure the VMT impacts generated by TVL operations and the effectiveness of the mitigation measures designed to offset those impacts. Compliance, during Phase I of the Airport Master Plan, shall be measured using the following formulas and assumptions: