

Ground Lease Notable Cases & Legal Takeaways

1. Experimental Aircraft Association v. Spokane Airport Board (WA, 2020)

Background: The Spokane Airport Board attempted to evict the Experimental Aircraft Association (EAA) from Felts Field by canceling their lease.

Initial Ruling: A Superior Court judge granted summary judgment in favor of the airport board.

Appeals Court Decision: The Washington Court of Appeals reversed the lower court's decision, ruling that the trial court lacked jurisdiction to decide the right to possession, as the EAA was not a holdover tenant and the airport did not establish a valid basis for eviction.

2. Coyote Aviation v. City of Redlands (CA, 2024)

Background: Coyote Aviation, which had built hangars on leased land at Redlands Municipal Airport, was evicted by the city after a dispute over lease terms.

Legal Action: Coyote Aviation obtained a temporary restraining order preventing the city from modifying the hangars or collecting rent from tenants, arguing that the city had made an error in the land lease agreement.

3. Ogden Regional Airport Association v. Ogden City (UT, 2022)

Background: Hangar owners at Ogden City Airport filed a class-action lawsuit against the city, alleging that the city planned to cease renewing ground leases and claim ownership of hangars through abandonment provisions.

Court Decision: The U.S. District Court for the District of Utah granted in part and denied in part the city's motion to dismiss, allowing certain claims by the hangar owners to proceed, particularly those related to constitutional property rights and equitable interests.

4. Graftaire, LLC v. City of Shreveport (LA, 2024)

Background: The Shreveport Airport Authority informed hangar owners that upon lease expiration, they had to remove their hangars or the improvements would revert to the city.

Legal Action: Hangar owners challenged the enforcement of reversion clauses, arguing that the city's actions were inconsistent with prior practices and that the reversion clauses were not mandatory under FAA policy.

Flying W Airport, Inc. v. Township of Medford, 2022 WL 2144846 (D.N.J.)

Outcome: In part favorable to the lessee.

Why it matters: The court found that airport sponsors must not act arbitrarily in terminating leases, especially where there is an appearance of retaliation or uneven treatment.

FAA Part 16 Complaints (quasi-judicial decisions, not court cases, but persuasive):

Examples:

Beck v. City of Independence, MO – FAA sided with the tenant, finding the airport acted unreasonably in terminating a lease and gave preferential treatment to other tenants.

Thune v. City of Albert Lea, MN – FAA ruled that the city's revocation of a lease was unjustly discriminatory and contrary to grant assurances.

Due Process Claims:

Courts have occasionally ruled in favor of tenants when the **termination lacked proper notice, hearing rights, or violated procedural safeguards** outlined in the lease or state/local laws.

Contractual Breach:

If the lease clearly defines renewal terms or rights of continued occupancy, and the airport revokes it without cause or contrary to those terms, courts may favor the lessee.