

City had recommended taxing Lyddon an additional 5-cent per gallon on fuel sold from Lyddon's own fuel tanks

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Bill and Steve Lyddon, owners of Liberal's Lyddon Aero Center, discussed renegotiating the terms of their upcoming lease with commissioners at Tuesday evening's city commission meeting. The possibility of paying a 5-cent fee on every gallon of fuel that is pumped from the fuel farm at the airport, has the brothers concerned for the future of their business that they have invested so much of their very own time and money in.

The fuel flowage fee of 5 cents per gallon is something that city staff feels is a fair addition to the new lease. The reasoning – Dodge City and Garden City are charging the fee, as well. However, according to the Lyddons, those particular cities own the fuel farms.

In Liberal's case, the Lyddon's own the fuel farms in question.

"We are not asking you to drop the fuel flowage fee, we have never had it before," Steve Lyddon said. "And part of the reason we haven't had it before is because we own the fuel pumps, we maintain it, we pay the insurance on it. The other places, the city owns the fuel pumps.

“We have taken that fuel farm in the 19 years that we have been here and spent about \$300,000 on it to get it state-of-the-art,” he explained. “That is a lot of money, and it costs about \$10,000 to run the fuel pumps.”

Steve Lyddon reiterated that the extra charge, or tax, simply was wrong considering they maintain ownership of the fuel farm at the airport.

“The idea of paying another 5 cents per gallon to the city for our own pumps doesn’t feel right,” Lyddon said. “We lease the grounds, but we own our buildings, and we own the fuel pumps. This is a big investment.

“We pay the lease, and we maintain it and don’t ask the city for anything,” he continued. “So it is a completely different set up from Garden City and Dodge City.”

Lyddon argued that those that pass through the Liberal airport do so because of the competitive fuel rates the Lyddons offer.

“In our fuel business in Liberal, it is really not what you would call an end destination,” he said. “There are some bigger airplanes that come to Liberal for business, but what we compete mostly against is fly-overs.

“They don’t come to Liberal unless you entice them in with fuel prices,” he added. “A big part of the fuel business is fuel contracts, it is very, very competitive. We are paying enough.”

Bill Lyddon expressed his concern that with a sales tax already taken out of their profit, an additional 5 cents would make it impossible for them to compete with other cities.

“And you have to understand that we pay a city sales tax on the fuel,” he said. “This is going to

get tough. It is going to get to where we can't compete."

Steve Lyddon explained they are also experiencing economic strains, yet have never asked for a dime from the city regarding renovations or repairs to the buildings they own or the pumps that they own.

"We have built it up so we can survive," he said. "But we are in a downturn, too. So, that is how we are looking at it.

"We don't have economic development money," he continued. "When our building burned down, we put in \$200,000 to rebuild and make it better. We have the best facility, and we have done it with our own money."

Commissioner Dave Harrison and vice mayor Tim Long both felt they needed more time to look over all information provided and apologized to the Lyddons and the commission for not coming in fully prepared to make a decision Tuesday night.

Harrison asked to table the motion for two weeks or possibly to a work session. He felt prior to hearing the Lyddons' explanation of the situation, he felt they were wrong to request the fuel flowage fee be dropped from the terms of the lease. However, after listening to their point of view, he felt they made some substantial points.

"Personally, I would like to table this," Harrison said. "I did briefly read through this stuff at first glance and thought you guys were way off base. But now that I hear what you are saying, that makes sense to me also."

Commissioner Larry Koochel felt there was no question as to what to do. In the name of economic development, he said, the Lyddons should not be charged a fee for pumps they themselves own. He also praised the Lyddon brothers for their facility in comparison to neighboring cities.

“You know, where they own this system – they own tanks, piping, etc.,” he said. “We talk economic development. You compare yourselves to Dodge City and Garden City – I have been there, but I am amazed as to what goes on in Liberal in this airport.

“If we had no one out here at the airport and the Lyddons were coming in looking to Liberal, what kind of incentives would we offer them?”

he asked of his fellow commissioners. “I don’t think economic development is charging to use something you already own. That is what it looks like to me.”

The commission agreed to table the discussion and renegotiation of the lease for the next 10 years with an option of an additional 10 years in a work session to be conducted in the very near future.