

By JESSICA CRAWFORD • Daily Leader

With the threat of possibly paying a 5-cent fuel flowage fee for every gallon on fuel sold at Lyddon Aero Center's fuel farm looming over them, Bill and Steve Lyddon were uncertain of their future in Liberal. However, at a special city commission meeting Monday evening, the City of Liberal and the Lyddon brothers were able to work out a lease everyone could live with.

At bi-weekly commission meeting nearly two weeks ago, the city and the Lyddon's discussed the upcoming lease negotiations. The city felt it fair to add a 5-cent fuel flowage fee to the lease agreement between the Lyddon's and the city.

Due to the fact that Dodge City and Garden City charge the same fee at their respective airports, the Lyddon's felt the fee unfair because in the cases of Dodge and Garden, the cities own the facilities, including the fuel farms. In the case of Lyddon Aero Center, however, the Lyddons own the fuel farms the city wanted to charge them to operate.

"The idea of paying another 5-cents per gallon to the city for our own pumps doesn't feel right," Steve Lyddon said at the June 9 meeting. "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 claimed he and his brother, Bill, have invested approximately \$300,000 in their business over the past 19 years and then stated it took approximately \$10,000 to maintain the facility.

Commissioner Dave Harrison and Vice Mayor Tim Long promised to further educate themselves on the matter as the motion to renegotiate the lease was tabled.

“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 from the very beginning that in the name of economic development, the fuel flowage fee was unfair and unnecessary.

“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 Lyddon’s 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.”

At Monday evening’s meeting, airport manager Debbie Giskie informed the commission and the Lyddons what the FAA required of such a lease.

“The FAA does not have any recommendation as far as fuel flowage fee or any percentage,” she said. “They just make sure we charge fair market rent and if it is a long term lease, inflation must be applied and make the airport as self sustained as possible. That is what they gave the airport to the city for, to generate revenue for the airport. That is it.”

With that in mind, Vice Mayor Tim Long suggested the Lyddon’s continue to operate the T-hangers rather than turn them over to the city for operation, which was discussed as a

possibility early in the meeting. He felt a 10 percent increase immediately on all leases due should be paid by July 1 with an increase of three percent each year over the next ten years with the option to renegotiate and renew the lease after 10 years. He felt the fuel flowage fee should be taken off the table altogether.

“To me that seems like it would help us maintain the airport and it is an expense you can pass on,” he said. “I understand your costs go up everyday. You know what I am saying, it is something that you can pass on. Most people won’t mind paying a \$10 to \$15 increase, it is something that you can work with.”

In his mind, Steve Lyddon quickly did the math as he stated 5 percent would increase the lease by 50 percent in 10 years.

At that, Mayor Joe Denoyer suggested a 3-percent yearly increase might be fair and much more affordable to the Lyddon’s, considering the good relationship the city and the Lyddon’s have shared for nearly two decades.

“I don’t care how much money you make in your business, that is your business,” he said. “You have been in business for 19 years. If we can come to an agreement on a lease, then I am cool with that.”

The city agreed to bring all five leases the Lyddon’s have with the city due on July 1 with a 10-percent increase. Then the lease would increase 3 percent each year for 10 years. At the end of the 10-year period, the lease could be renegotiated up to a 5 percent yearly increase, but no more than 5 percent – for an additional 10 years.

The motions involved were unanimously agreed upon by all commissioners.

Following the meeting, the Lyddon’s felt the agreement reached was fair. However, they stated, had the fuel flowage fee been inserted into the lease, they would not have paid it.

“It is fair enough, it was time to look at it,” Steve Lyddon said.

“We are happy with this.

“We have been worried,” he said of the fuel flowage fee. “It was going to be a deal breaker, we wouldn’t have paid it.”