



May 12, 2026

Via Email and Regular Mail

Mayor Barbara Buffaloe
City of Columbia, Missouri
701 East Broadway
Columbia, Missouri 65205
Mayor@CoMo.gov

Re: Air Service Agreement in Violation of Missouri Gift Clause, Mo. Const. Art. VI, § 23

Dear Mayor Buffaloe and City Council Members:

The Goldwater Institute is a public policy and public interest litigation organization with extensive experience in the public policy implications of government subsidies and the legal safeguards that can limit or prevent them. We write with concerns about the City of Columbia’s Air Service Agreement, CLT-COU, with American Airlines, Inc. (“AA”), dated February 13, 2026 (“Agreement”). Specifically, the Agreement raises concerns under the Missouri Constitution’s Gift Clause, Mo. Const. Art. VI, § 23.

The Missouri Constitution prohibits municipalities from granting public money or lending their credit to any private organizations and individuals. It reads:

No county, city or other political corporation or subdivision of the state shall own or subscribe for stock in any corporation or association, or lend its credit or grant public money or thing of value to or in aid of any corporation, association or individual, except as provided in this constitution.

Art. VI, § 23 (“Gift Clause”). *See Salamun v. Camden Cnty. Clerk*, 694 S.W.3d 424, 431 (Mo. banc 2024) (invalidating statute that granted public money to a private entity).

As you are aware, the Agreement requires the City to guarantee AA certain minimum revenues for each calendar month for the duration of the Agreement. If in any given month AA’s daily route between Columbia and Charlotte, North Carolina fails to generate those minimum revenues, the City will pay AA an amount sufficient to cover the shortfall, up to a total of \$1.5 million.¹ The City will owe these payments to AA regardless of any profits the daily route generates for AA in any other calendar

¹ Agreement § 4(c)–(d).

month.² Thus, the Agreement exposes the City's taxpayers to a risk of significant financial loss, without any prospect of recovering a share of the profits that AA may reap from operating this daily route.³

This arrangement likely violates the Gift Clause. As an initial matter, the mere promise to insure AA against potential financial losses it might realize from operating a daily route between Columbia and Charlotte effectively lends the City's credit to AA, allowing AA to take financial risks it otherwise might deem unwise because the City has promised that taxpayers will absorb any resulting financial losses. Any direct outlay of public funds to AA under the Agreement would also violate the Gift Clause.

To be clear, the Goldwater Institute believes the Gift Clause would allow the Agreement to proceed if the only funds exposed to the risk of AA's financial losses are those contributed by private entities to the Central Missouri Air Service fund; the Missouri Constitution does not prevent private parties from voluntarily choosing to assume such a risk. Accordingly, to comply with the Gift Clause, the City must take steps to ensure that only privately-contributed funds are used to pay any invoices AA submits under the Agreement, and under no circumstances may it use taxpayer funds for that purpose.

If you wish to discuss this matter further, please feel free to contact us at (602) 462-5000 or at droland@goldwaterinstitute.org or tnapolitano@goldwaterinstitute.org.

Sincerely,



Tony Napolitano
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Council Member Valerie Carroll, Ward1@CoMo.gov
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Council Member Christina Hartman, Ward5@CoMo.gov
Council Member Betsy Peters, Ward6@CoMo.gov
City Counselor Nancy Thompson, City@CoMo.gov

² *Id.* § 4(b)-(c).

³ *Id.*