

IN THE CIRCUIT COURT OF BOONE COUNTY  
THIRTEENTH JUDICIAL CIRCUIT  
STATE OF MISSOURI

MARK WINTER,

and

RICHARD SHANKER,

Plaintiffs,

v.

CITY OF COLUMBIA, MISSOURI,

Serve: Nancy Thompson  
Columbia City Hall  
Counselor Division  
701 E. Broadway  
Columbia, MO 65205

Case No. \_\_\_\_\_

AND

MATTHEW LUE, IN HIS OFFICIAL CAPACITY AS  
DIRECTOR OF FINANCE, CITY OF  
COLUMBIA,

Serve: Finance Department  
City of Columbia  
701 E. Broadway  
Columbia, MO 65205

Defendants.

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**PETITION FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF**

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COME NOW the Plaintiffs, by and through their undersigned attorneys, and allege as follows:

**INTRODUCTION**

1. This lawsuit challenges the City of Columbia’s (“the City”) decision to gamble taxpayer dollars by guaranteeing that a multi-billion-dollar commercial airline will make a minimum amount of revenue in association with operating a new route between Columbia, Missouri, and Charlotte, North Carolina (“the Route”).

2. The Missouri Constitution forbids a city from lending its credit or granting public money “to or in aid of any corporation, association or individual.” Mo. Const. art. VI, § 23.

3. The City has nevertheless entered into an Air Service Agreement (“the Agreement”) with American Airlines, Inc. (“AA”) that requires the City to guarantee AA minimum monthly revenues for the Route over the term of the Agreement.

4. If the Route does not generate a minimum amount of target revenue in any given month during the term of the Agreement, the City must pay AA the difference.

5. The Agreement obliges the City to pay up to \$750,000 in public money from the City’s Transportation Sales Tax fund.

6. To be clear, under the Agreement AA is not required to share with the City any profits it might realize in months that the Route exceeds its minimum revenue target. However successful the Route might prove to be, AA gets to keep all the financial reward for itself.

7. But if the Route fails to meet the minimum expected revenue during even one month of the agreement, the Columbia taxpayers are obligated under the agreement to pay AA up to \$750,000.

8. The City has therefore made its taxpayers involuntary backers of a private corporation’s expansion strategy. AA receives all the financial upside of operating the route; the City and its taxpayers assume the downside risk.

9. Article VI, section 23 of the Missouri Constitution forbids the City from using tax

dollars or municipal credit to subsidize a private corporation.

10. Plaintiffs seek (1) a declaration that the City's use of public funds and/or public credit under the Air Service Agreement violates the Missouri Constitution, (2) an injunction prohibiting the City and its officials from making, authorizing, approving, or processing any payment of taxpayer funds to AA under that agreement, and (3) an injunction prohibiting the City and its officials from entering into similar air services agreements with any other commercial airline.

### PARTIES

11. Plaintiff Mark Winter is a resident and taxpayer of the City of Columbia, Missouri.

12. Plaintiff Richard Shanker is a resident and taxpayer of the City of Columbia, Missouri.

13. Plaintiffs pay taxes to the City, including taxes that support the City's public funds and municipal operations.

14. Plaintiffs sue individually and in Plaintiffs' capacity as Columbia taxpayers to prevent the unlawful expenditure or commitment of public funds and public credit.

15. Defendant City of Columbia, Missouri, is a constitutional charter city and political subdivision of the State of Missouri located in Boone County.

16. Defendant Matthew Lue is the Director of Finance for the City of Columbia, Missouri.

17. In his official capacity as the head of the City's Finance Department, Mr. Lue is responsible for the administration of the City's financial affairs, including the disbursement and expenditure of public funds.

18. Under the challenged agreement, invoices for payment are directed to the Finance

Department.

19. As the official charged with overseeing, approving, and executing payments from City funds, including the Transportation Sales Tax fund, Mr. Lue is responsible for making the unlawful revenue-guarantee payments challenged herein and is the proper officer to be enjoined from doing so.

#### **JURISDICTION AND VENUE**

20. This Court has subject-matter jurisdiction under Article V of the Missouri Constitution and Missouri law.

21. This Court has authority to declare the rights, status, and legal relations of the parties under Missouri's Declaratory Judgment Act, including Mo. Rev. Stat. § 527.010.

22. This Court has authority to grant supplemental relief, including injunctive relief, under Mo. Rev. Stat. § 527.080 and the Court's equitable powers.

23. An actual, ripe, and justiciable controversy exists between the parties because the City has entered into an agreement obligating it to use public funds or public credit to guarantee AA's minimum revenues, and Plaintiffs contend that obligation violates the Missouri Constitution.

24. Venue is proper in Boone County because the City is located in Boone County, the public funds at issue are held or administered by the City in Boone County, the challenged agreement was approved or implemented in Boone County, and the unlawful payments or commitments challenged in this Petition will be made or administered in Boone County.

#### **TAXPAYER STANDING**

25. "Missouri courts allow taxpayer standing so that ordinary citizens have the ability to make their government officials conform to the dictates of the law when spending

public money.” *Lebeau v. Comm’rs of Franklin Cnty.*, 422 S.W.3d 284, 288-89 (Mo. banc 2014) (citing *Ste. Genevieve Sch. Dist. v. Bd. of Aldermen of Ste Genevieve*, 66 S.W.3d 6, 11 (Mo. banc 2002)).

26. “Public policy demands a system of checks and balances whereby taxpayers can hold public officials accountable for their acts... Taxpayers must have some mechanism of enforcing the law.” *Id.* at 289 (citing *E. Mo. Laborers Dist. Council v. St. Louis Cnty.*, 781 S.W.2d 43, 46 (Mo. banc 1989)).

27. Plaintiffs have standing as Columbia taxpayers to challenge the unlawful expenditure, threatened expenditure, or commitment of City funds and City credit.

28. Missouri law recognizes that taxpayers may sue to enjoin unlawful expenditures of public funds.

29. Plaintiffs and other Columbia taxpayers have an equitable interest in the City’s public funds.

30. Plaintiffs and other Columbia taxpayers are already suffering the injury of the City’s violation of the constitutional prohibition on the lending of the City’s credit to a private corporation.

31. The Agreement puts Plaintiffs and other Columbia taxpayers at risk of expenditures made from the City treasury or from tax-generated public funds in violation of Article VI, section 23 of the Missouri Constitution.

32. The Agreement exposes at least \$750,000 in public Transportation Sales Tax funds to payment for AA’s private revenue shortfalls.

33. The challenged agreement also exposes the City’s public credit to AA’s private commercial risk.

34. Plaintiffs seek prospective declaratory and injunctive relief to prevent the unlawful use of public money and public credit before taxpayer funds are paid to AA or further committed for the benefit of AA or any other commercial airline.

**FACTS COMMON TO ALL COUNTS**

*The City's Air Service Agreement with American Airlines*

35. On or about February 13, 2026, the City entered into the Agreement, CLT-COU, with AA.

36. The Agreement concerns a new AA route between Columbia Regional Airport in Columbia, Missouri, and Charlotte, North Carolina.

37. Upon information and belief, AA is expected to begin operating taxpayer-backed flights on or about June 2026.

38. AA is a private corporation.

39. AA is not a political subdivision of Missouri.

40. AA is not a public entity.

41. AA operates commercial air routes for private corporate profit.

42. Upon information and belief, AA's operations generate more than \$50 billion per year in corporate revenues.<sup>1</sup>

43. Under the Agreement, the City guarantees that the Route will generate certain minimum revenues for AA in each calendar month during the term of the Agreement.

44. If the Route fails to generate the guaranteed amount of revenue in a given month, the Agreement allows AA to invoice the City for the shortfall.

45. The City must then pay AA an amount sufficient to cover the shortfall, subject to

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<sup>1</sup>See <https://www.macrotrends.net/stocks/charts/AAL/american-airlines-group/revenue>

the Agreement's overall cap.

46. The Agreement's revenue guarantee is capped at \$1.5 million.

47. The City's Transportation Sales Tax fund consists of public money.

48. Money in the Transportation Sales Tax fund belongs to the City and its taxpayers, not to AA.

49. The City has committed \$750,000 in public money from its Transportation Sales Tax fund to support the revenue guarantee.

50. Upon information and belief, the remaining \$750,000 supporting the revenue guarantee consists of funds voluntarily contributed by private businesses, organizations, or other private entities to the Central Missouri Air Service fund.

51. Plaintiffs do not challenge the voluntary use of purely private funds contributed by private entities to support the Route.

52. Plaintiffs challenge the City's use, commitment, guarantee, pledge, or exposure of *public* money or *public* credit under the Agreement.

53. The Agreement places public Transportation Sales Tax funds at risk if the Route fails to meet its revenue targets.

54. The Agreement does not require AA to share profits with the City in any month during which the Route generates revenues exceeding the guaranteed monthly amount.

55. The Agreement does not require AA to reimburse the City if the Route generates profits in months following a payment by the City pursuant to the Agreement.

56. The Agreement does not give the City an ownership interest in AA.

57. The Agreement does not give the City a share of the Route's profits.

58. The Agreement does not require AA to provide the City with consideration

equivalent to the value of the City's financial guarantee.

59. The Agreement instead requires Columbia taxpayers to insure AA against private revenue risk while allowing AA to retain the benefits of any successful Route operations.

60. Under the Agreement, AA bears less financial risk than it would bear in the ordinary course of deciding whether to establish and operate a new commercial route.

61. The City's promise to pay AA if the Route underperforms provides AA with government-backed financial support.

62. That government-backed support aids AA in operating a private commercial route.

63. That government-backed support allows AA to take a business risk it might otherwise decline, reduce, price differently, or require private parties to support.

64. That government-based support allows AA to attract other backers, investors, or vendors it may otherwise only have been able to access on less-advantageous terms or that it may not have been able to access at all.

65. The City's public financial backing therefore confers economic benefit on AA even if the City never pays public money to AA pursuant to the Agreement.

66. If AA invoices the City under the Agreement and the City pays that invoice from public funds, the City will grant public money directly to AA.

67. If the City maintains the Agreement's public revenue guarantee, the City lends or uses its public credit in aid of AA.

68. The City has no constitutional authority to use public money or public credit to guarantee a private airline's monthly revenue goals.

*The Agreement Forces Taxpayers to Bear the Financial Risks of a Private Corporation*

69. Under the Agreement, AA is not the sole bearer of the ordinary business risk

associated with establishing and maintaining the Route.

70. Instead, the Agreement shifts part of AA's risk to Columbia taxpayers.

71. The Agreement protects AA from downside revenue risk up to the amount of the guarantee.

72. But the Agreement does not provide taxpayers any corresponding upside if the route performs well.

73. The revenue guarantee may induce AA to take financial risks in relation to the operation of the Route that it might not otherwise take, due to its awareness that the Agreement will insulate AA against up to \$1.5 million in losses.

74. Columbia taxpayers are therefore required to subsidize AA's potential monthly revenue shortfalls without receiving any share of AA's profits.

75. The Agreement is a subsidy to AA.

76. The Agreement is a grant of public money or thing of value to or in aid of AA.

77. The Agreement is also a lending of the City's credit to or in aid of AA.

78. Indirect or speculative economic-development benefits do not satisfy the requirements of the Gift Clause.

79. Article VI, section 23 forbids the City from granting public money or lending public credit to aid a private corporation even when City officials believe the arrangement may produce public benefits.

80. The Missouri Supreme Court has rejected the argument that an entity becomes public, or that a transfer of public funds becomes constitutional, merely because the funds may be used for public purposes.

81. The same principle applies here. The City cannot guarantee AA's private route

revenues merely because officials believe the Route may promote travel, tourism, business recruitment, convenience, or economic activity.

*The City Was Warned that the Agreement Violates the Missouri Constitution*

82. On May 12, 2026, the Goldwater Institute sent a demand letter to Mayor Barbara Buffaloe and the Columbia City Council regarding the Agreement.

83. The demand letter explained that the Agreement raises serious concerns under Missouri Constitution Article VI, section 23.

84. The demand letter informed the City that the Missouri Constitution prohibits municipalities from granting public money or lending public credit to private organizations and individuals.

85. The demand letter explained that the Agreement requires the City to guarantee AA certain minimum revenues for each calendar month during the Agreement's term.

86. The demand letter explained that if AA's daily route between Columbia and Charlotte fails to generate those minimum revenues, the City will pay AA enough to cover the shortfall, up to a total of \$1.5 million, half of which derives from tax dollars.

87. The demand letter explained that, under the Agreement, the City will owe such payments regardless of any profits AA may generate from the Route in other months.

88. The demand letter explained that the Agreement exposes taxpayers to significant financial loss without any prospect of recovering a share of AA's profits.

89. The demand letter further explained that the Agreement could comply with Article VI, section 23 if only privately contributed funds—not public funds—were exposed to the risk of AA's financial losses.

90. The City has not disclaimed the use of public Transportation Sales Tax funds under

the Agreement.

91. The City has not amended the Agreement to ensure that no public money will be paid to AA.

92. The City has not amended the Agreement to ensure that no public credit will be lent to or used in aid of AA.

93. Unless enjoined, the City may authorize, process, or make public payments to AA under the Agreement.

94. Unless enjoined, the City will continue to maintain a public financial guarantee in aid of AA.

95. Plaintiffs have no adequate remedy at law to prevent the unlawful use of public funds and public credit.

96. Declaratory and injunctive relief are necessary to prevent unconstitutional expenditures, unconstitutional commitments of public credit, and the depletion or misuse of public funds.

**CLAIMS FOR RELIEF**

**COUNT I – Violation of the Missouri Gift Clause, Mo. Const. art. VI, § 23  
(Grant of Public Money or Thing of Value)**

97. Plaintiffs incorporate the allegations in the preceding paragraphs.

98. Missouri Constitution Article VI, section 23 provides:

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.

99. The City is a city, political corporation, and political subdivision of the State of

Missouri subject to Article VI, section 23.

100. AA is a corporation within the meaning of Article VI, section 23.

101. The City's contractual promise to make public funds available to cover AA's monthly revenue shortfalls is a grant of public money or thing of value to or in aid of AA.

102. Any payment from the Transportation Sales Tax fund or any other public fund to AA under the Agreement would be a grant of public money to or in aid of AA.

103. The Agreement's public revenue guarantee is also a thing of value because it shifts financial risk away from AA and onto Columbia taxpayers, including the Plaintiffs.

104. The Agreement aids AA by reducing the ordinary business risk associated with establishing and operating the Route.

105. The Agreement aids AA by ensuring that public funds may be used to satisfy AA's minimum monthly revenue expectations.

106. The Agreement aids AA by protecting AA against route underperformance while allowing AA to retain route profits.

107. The Agreement is not saved by the City's asserted belief that the Route may produce indirect public benefits.

108. In *Salamun v. Camden County Clerk*, 694 S.W.3d 424 (Mo. banc 2024), the Missouri Supreme Court held that Article VI, section 23 prohibited political subdivisions from granting public tax money to a private entity, even though the entity was tasked with spending the money for tourism promotion.

109. *Salamun* confirms that a public-purpose label does not convert a prohibited grant of public money to a private entity into a constitutional expenditure.

110. The Agreement grants or threatens to grant public money or a thing of value to or

in aid of a private corporation.

111. The Agreement therefore violates Missouri Constitution Article VI, section 23 to the extent it commits, exposes, pledges, authorizes, or permits public funds or public things of value to be paid, transferred, or made available to AA.

112. Plaintiffs are entitled to a declaration that the City's use, commitment, or payment of public funds under the Agreement violates Article VI, section 23.

113. Plaintiffs are entitled to preliminary and permanent injunctive relief prohibiting the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from authorizing, approving, processing, or making any payment of public money to AA under the Agreement.

WHEREFORE, Plaintiffs respectfully request that the Court:

- a. Enter a declaratory judgment finding that the Agreement is unconstitutional, and therefore invalid and unenforceable;
- b. Enter a declaratory judgment finding that any payment of public money from the City's Transportation Sales Tax fund, or from any other public fund, to AA under the Agreement violates Missouri Constitution Article VI, section 23;
- c. Enter a permanent injunction against the City prohibiting the enforcement of or compliance with the Agreement, and prohibiting the City from disbursing any monies from the City's Transportation Sales Tax fund, or from any other public fund, to AA or to any other commercial airline;
- d. Award Plaintiffs their reasonable fees and expenses pursuant to at least Section 536.050, RSMo.; and
- e. Order such other and additional relief as the Court deems just and proper.

**COUNT II – Violation of the Missouri Gift Clause, Mo. Const. art. VI, § 23  
(Lending of Public Credit)**

114. Plaintiffs incorporate the allegations in the preceding paragraphs.

115. Missouri Constitution Article VI, section 23 independently prohibits a city from lending its credit to or in aid of any corporation, association, or individual, except as provided in the Constitution.

116. The City’s credit includes its ability to commit public resources, public funds, and public financial backing to support obligations undertaken for another’s benefit.

117. The Agreement lends or uses the City’s credit in aid of AA because the City has promised to stand behind AA’s route revenues if the Route fails to meet monthly revenue expectations.

118. The City’s revenue guarantee functions as public financial backing for AA’s private commercial route.

119. That financial backing reduces AA’s risk and supports AA’s decision to operate the Route.

120. The City’s promise to pay AA’s revenue shortfalls has present value to AA even before the City pays any invoice.

121. AA may rely on the City’s promise of public financial backing when deciding whether, when, and how to operate the Route.

122. AA may also use the City’s public financial backing to reduce the private risk of route operations.

123. Article VI, section 23 prohibits the City from lending public credit in this manner.

124. The Agreement is not a lawful exchange of roughly equivalent value for services rendered to the City.

125. The City is not purchasing airline seats for City use.
126. The City is not purchasing a defined quantity of transportation services for City operations.
127. The City is not receiving a proportional financial return if the Route succeeds.
128. Instead, the City is guaranteeing AA's minimum monthly revenues so that AA's private commercial route carries less downside risk.
129. That is a lending of public credit to or in aid of AA.
130. The Agreement therefore violates Missouri Constitution Article VI, section 23 to the extent it lends or uses the City's credit in aid of AA.
131. Plaintiffs are entitled to a declaration that the City's lending or use of public credit under the Agreement violates Article VI, section 23.
132. Plaintiffs are entitled to preliminary and permanent injunctive relief prohibiting the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from maintaining, enforcing, honoring, renewing, or implementing any public revenue guarantee or other lending of public credit to AA under the Agreement.

WHEREFORE, Plaintiffs respectfully request that the Court:

- a. Enter a declaratory judgment finding that the Agreement is unconstitutional, and therefore invalid and unenforceable;
- b. Enter a declaratory judgment finding that the City's revenue guarantee under the Agreement constitutes an unconstitutional lending or use of public credit to or in aid of AA in violation of Missouri Constitution Article VI, section 23;
- c. Enter a permanent injunction against the City prohibiting the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from

maintaining, enforcing, honoring, renewing, or implementing any public revenue guarantee or other lending of public credit to AA under the Agreement or to any other commercial airline;

- d. Award Plaintiffs their reasonable fees and expenses pursuant to at least Section 536.050, RSMo.; and
- e. Order such other and additional relief as the Court deems just and proper.

### **COUNT III – Ultra Vires Municipal Action**

133. Plaintiffs incorporate the allegations in the preceding paragraphs.

134. Missouri municipalities possess only those powers conferred by law, including their constitutional, statutory, and charter authority.

135. No municipal ordinance, contract, appropriation, or policy may authorize conduct prohibited by the Missouri Constitution.

136. The City lacks authority to enter into, maintain, or perform a contract that violates Article VI, section 23.

137. The City lacks authority to use public Transportation Sales Tax funds to guarantee a private corporation's commercial revenues.

138. The City lacks authority to lend public credit in aid of AA's private commercial route.

139. To the extent the Agreement commits, exposes, pledges, authorizes, or permits public funds or public credit to support AA's route revenues, the Agreement exceeds the City's lawful authority and is void and unenforceable.

140. Plaintiffs are entitled to a declaration that the Agreement is ultra vires, void, and unenforceable to the extent it requires, permits, or authorizes the City to grant public money or

lend public credit to or in aid of AA.

141. Plaintiffs are entitled to preliminary and permanent injunctive relief prohibiting the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from performing any ultra vires obligation under the Agreement.

WHEREFORE, Plaintiffs respectfully request that the Court:

- a. Enter a declaratory judgment finding that the Agreement is ultra vires, void, and unenforceable to the extent it requires, permits, authorizes, or contemplates the use of public funds or public credit to guarantee AA's minimum route revenues or otherwise aid AA;
- b. Enter a permanent injunction against the City prohibiting the enforcement of or compliance with the Agreement;
- c. Award Plaintiffs their reasonable fees and expenses pursuant to at least Section 536.050, RSMo.; and
- d. Order such other and additional relief as the Court deems just and proper.

**SUMMARY OF RELIEF REQUESTED**

WHEREFORE, Plaintiffs ask this Court to:

- a. Declare that the City's use, commitment, pledge, exposure, authorization, or payment of public funds under the Agreement to guarantee AA's minimum route revenues violates Missouri Constitution Article VI, section 23;
- b. Declare that any payment of public money from the City's Transportation Sales Tax fund, or from any other public fund, to AA under the Agreement violates Missouri Constitution Article VI, section 23;
- c. Declare that the City's revenue guarantee under the Agreement constitutes an

unconstitutional lending or use of public credit to or in aid of AA in violation of Missouri Constitution Article VI, section 23;

- d. Declare that the Agreement is ultra vires, void, and unenforceable to the extent it requires, permits, authorizes, or contemplates the use of public funds or public credit to guarantee AA's minimum route revenues or otherwise aid AA;
- e. Preliminarily and permanently enjoin the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from authorizing, approving, processing, or making any payment of public money to AA under the Agreement or to any other commercial airline;
- f. Preliminarily and permanently enjoin the City, the Mayor, the City Council, and all officers, employees, agents, and persons acting in concert with them from maintaining, enforcing, honoring, renewing, or implementing any public revenue guarantee or other lending of public credit to AA under the Agreement or to any other commercial airline;
- g. Award Plaintiffs costs and any other fees or expenses recoverable under Missouri law;
- h. Retain jurisdiction to enforce the Court's declaratory and injunctive relief; and
- i. Grant such other and further relief as the Court deems just and proper.

Respectfully submitted,



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