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Disney Seeks Continued Tax Exemption From Anaheim, California.

LOS ANGELES — The “happiest place on Earth” will keep a special tax exemption in Anaheim, California, for 30 more years if the City Council approves the Walt Disney Co’s plan for a \$1 billion-plus expansion of its theme park complex in the city.

The five-member council is expected to vote on Tuesday on the company’s proposal to go ahead with its Disneyland Resort makeover in exchange for a continued waiver of any future admission tax the city might impose on entertainment venues.

The resort’s current exemption was granted by the city in 1996 and is due to expire on June 30, 2016.

No entertainment gate tax has ever been levied by the city of Anaheim, but an extension of Disney’s special waiver would reimburse the company for any such taxes imposed during the next three decades, municipal spokeswoman Ruth Ruiz said.

Disney and its supporters say the exemption is merited because of the huge economic benefit Anaheim derives from the resort, which is the largest employer in the city and Orange County as a whole, accounting for 28,000 local jobs.

“Anaheim has been an economic success story thanks to its policies and initiatives that allow businesses to invest and thrive,” Disneyland Resort President Michael Colglazier said in a statement.

But Mayor Tom Tait, a City Council member who backed the original tax exemption, has gone on record opposing the plan to renew it, citing an estimated \$500 million in unfunded pension obligations now faced by the city.

“Chaining the hands of future residents on their ability to impose taxes will jeopardize the city’s financial health,” he was quoted as saying in the Orange County Register.

Two other council members support an extension, while two others have said they are undecided.

Disney’s plan calls for breaking ground by the end of 2017 and finishing construction by 2024. A study commissioned by Disney projected the project would support an average of 2,600 local jobs a year, and lead to creation of 2,100 permanent jobs.

The company has not specified whether Disneyland itself or the adjacent Disney California Adventure park, or both, would be enlarged, or what new attractions might be added. But the project is to include a new 5,000-space parking structure.

Disneyland’s original theme park opened to the public in 1955. No admission tax is currently collected at any Disney park in the world, company spokeswoman Suzi Brown said.

By REUTERS

JULY 6, 2015, 7:40 P.M. E.D.T.

(Reporting by Steve Gorman; Editing by Peter Cooney)

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