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Outside Disneyland, a Reminder for Governments to Be Careful What They Wish For.

Cities have become increasingly focused on doing whatever it takes to attract large corporations. But it's hard to govern a one-company town. Just ask Anaheim.

When Disneyland opened in Anaheim, Calif., in 1955, throngs of people came to experience a theme park unlike anything they'd seen before. It soon became known as "the happiest place on earth." For years, the Walt Disney Company seemed to have a happy partnership with the city of Anaheim, too.

Anaheim has traditionally been open-handed with the international attraction that dominates its economy. Two decades ago, for instance, it agreed to issue a $510 million bond to upgrade the area around Disneyland, rebuild the convention center and provide Disneyland with a 10,000-space parking garage. The city also promised not to impose gate taxes on Disney tickets for at least 20 years. More recently, the city agreed to provide developers — including the Walt Disney Company — with more than $600 million in incentives to encourage the development of four new luxury hotels. It also extended the gate tax moratorium for another 45 years. In exchange, Disney promised to invest more than $1.5 billion in Anaheim by adding a major new attraction, Star Wars: Galaxy's Edge, which is slated to open next year.

But some have been critical of the city in its dealings with Disney. Those investments, they say, would have been made by the company anyway. For years, Anaheim's politicians largely ignored these objections. Instead, they accepted Disney's arguments that such deals were model public-private partnerships. But that attitude has begun to change. Disney "keeps talking about how it's the economic engine of the city and how we need to keep investing because we get so much in return," says Jose Moreno, a California State University, Long Beach professor who was elected to the Anaheim City Council in 2016. "But for every engine, there is exhaust, and there are parts of the city having to breathe that exhaust: the working poor."

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BY JOHN BUNTIN | APRIL 2018

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