

## Statement of Richard G. McCracken to Anaheim City Council re: Measure L

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This request from the City Council for an opinion put City Attorney Mr. Fabela in a bad position. He was asked to give an opinion about Measure L, a proposed law he did not help write, that the City Attorney's office did not help write, and was developed before he even took office. The City Attorney will not be called upon to enforce this initiative ordinance. That is for the courts. A judge's opinion might have had some weight – but no respectable court would prejudge something like this. The way the legal process works, which some on the City Council clearly do not understand or perhaps care about, is that the facts and legal argument are developed fully before the court makes a decision. Of course, nothing like that happened here, even if the person giving an opinion were to have any authority to do so.

On the merits, with all due respect to Mr. Fabela personally, he is simply wrong. Disney was given back its tax payments to help it develop California Adventure. This cannot be denied. The City issued bonds and gave Disney \$208 million to use in the development of the new theme park. When government gives a private entity money for its own use, that is usually called a subsidy. How are the bonds paid back? With Disney tax money. Disney pays sales tax, transient occupancy tax, and property tax which was used and is still being used to pay the bonds. Not a dime of other money is used. Instead of going for general city uses, all this tax money—hundreds of millions of dollars—is going for California Adventure. The most glaring example is the West Parking Garage. It was built on Disney property. It is operated by Disney which keeps all the revenue from parking charges (except convention center visitors). But its \$90 million construction cost was paid for entirely by tax money that would have otherwise gone to police and fire, schools and roads. The law and common sense will agree on this issue: the 1996 agreement, which runs until 2037, is a subsidy to Disney in which it gets back its own tax payments. Disney will be subject to Measure L if it passes this November. .

  
Richard G. McCracken