

**Anaheim Planning Commission
Anaheim City Hall**

**RE: Disneyland Forward Public Hearing 5p.m.
Please distribute as needed prior to the Public Hearing**

Monday, March 11, 224

Please note that all references to “Disney” indicate Walt Disney Parks and Resorts U.S., Inc., a Florida corporation.

Amended Development Agreement refers to First Amended and Restated Development Agreement No 96-01

Dear Commissioners,

We respectfully request that a decision on the Disneyland Forward Project be postponed for a period sufficient to assure citizens that our questions and concerns may be considered and addressed.

There appears to be no immediate harm resulting from this request. While we are told that the project is on a tight deadline, the First Amended and Restated Development Agreement, **Section 3.1.9.2 Process and Timing; Reservation of Easements** states that Applicant cannot close Magic Way until the bonds are paid, an event scheduled for 2037.

Even accelerated repayment schedules do not place that event on an immediate trajectory. A minor delay should not result in harm to either the City nor Disney, to review the almost 3,000 pages of newly released documents, integrate them into our understanding of the roughly 17,000 pages from EIR 352, and compare them to the earlier documents from 1996, to comprehend how earlier development would be changed by this new proposal.

Indeed, the entitlements proposed for the next 40 years differs from that promised in the 1996 agreements only in the location of development. The 1996 Development Agreement already entitles Disney to develop property to the extent they could reasonably break ground on stages of development that would not change, such as the parking structure across Harbor, Blvd, so a delay to review documents does not prevent Disney from starting on projects already in agreement while resident review the proposal to develop the remaining 41%-47% of property they have not yet completed, despite the 2010 build-out assumption in the 1996 Development Agreement. (Note: Percentage of undeveloped property is inconsistent within documents)

By changing the location of existing entitlements, this current proposal appears to give Disney an additional 40 years to complete their obligations not yet met under the 1996 agreement, which the City and Disney aspired to complete by 2010. This Project does not provide additional benefits to the people of Anaheim beyond what was agreed to in 1996, instead it transfers development rights for 40 years without defined benchmarks or consequences for failure to complete the development that is already 14 years behind.

A short delay to allow appropriate review of new information would not seem out of line in comparison to the decades-long history of Disney projects.

Residents were assured in the Notice of Public Hearing mailed February 28, 2024 that additional information would be made available with the release of the Agenda packet by 5 pm Thursday, March 7, 2024. The Agenda was not uploaded to the City website until Friday morning when those concerned with the project were at work and unable to review the nearly 3,000 pages of new information offered for this project. Therefore, the ability to review, understand, and comment on those new pages was impossible for many residents to submit by close of business Friday, to be forwarded to the Planning Commission by the weekend for your consideration. Instead, comments such as the one now submitted were sent on Monday, March 11, hours prior to the Public Hearing, during a period when some Commissioners are on a timeclock for an employer and unable to fully review lengthy letters of opposition.

Given the potential community impacts from the additional 40-year timetable for this project that Disney has already delayed by 14 years, it is only fair that residents are offered the time for our concerns to be read by the Commissioners, and staff be given the time to provide additional information related to questions and concerns that have newly arisen from the recently disclosed documents.

We also respectfully request that DisneylandForward be reconsidered to discuss more creative solutions for the more controversial issues raised by concerned citizens. This includes, but is not limited to, retaining public use of Magic Way going east toward Disneyland Drive for local traffic to access the freeway while accommodating new use for Disney's expansion, and exploring options for tunnels or flyover-overpass, or pedestrian bridges, to permit Disney to develop their property while the City of Anaheim completes the last segment of Gene Autry Way between Haster and Harbor into Convention Way, to relieve traffic congestion, and air quality impacts for residents adjacent to Orangewood Avenue or Katella.

Specific reasons for concern are as follows:

Information recently released on March 8, 2024, was not included in the original EIR 352, subject to review and a comment period for the public and responsible agencies to weigh in.

§ 21092.1. ADDITION OF NEW INFORMATION; NOTICE AND CONSULTATION

When significant new information is added to an environmental impact report after notice has been given pursuant to Section 21092 and consultation has occurred pursuant to Sections 21104 and 21153, but prior to certification, the public agency shall give notice again pursuant to Section 21092, and consult again pursuant to Sections 21104 and 21153 before certifying the environmental impact report.

- The traffic study for the closure of Magic Way was finally released on Friday, March 8, 2024, but it makes assumptions regarding non-Resort vehicle trips originating from local traffic that are not reflected by real-life experiences known to local residents driving in the area. Our concerns are defined within the body of this letter, below.
- Residents and responsible agencies should have been given the appropriate review period prior to a decision on the elimination of a Mitigation Measure required in the prior project.

- The traffic study for the closure of Magic Way is dated March 7, 2024, and released the morning of March 8, 2024. Given the tight time frame, we wish to confirm that the study was subject to the peer review of the City's on-call environmental consultants, as required by the City of Anaheim.

Despite nearly 3,000 pages of new information released on March 8, 2024, some critical information has still not been provided for public review. This includes, but may not be limited to, the 2023 CBRE Appraisals for right of way to be abandoned, and the CSUF Woods economic study cited as justification for the Statement of Overriding Consideration.

§ 21005. INFORMATION DISCLOSURE PROVISIONS; NONCOMPLIANCE; PRESUMPTION; FINDINGS

(a) The Legislature finds and declares that it is the policy of the state that noncompliance with the information disclosure provisions of this division which precludes relevant information from being presented to the public agency, or noncompliance with substantive requirements of this division, may constitute a prejudicial abuse of discretion within the meaning of Sections 21168 and 21168.5, regardless of whether a different outcome would have resulted if the public agency had complied with those provisions.

(b) It is the intent of the Legislature that, in undertaking judicial review pursuant to Sections 21168 and 21168.5, courts shall continue to follow the established principle that there is no presumption that error is prejudicial.

(c) It is further the intent of the Legislature that any court, which finds, or, in the process of reviewing a previous court finding, finds, that a public agency has taken an action without compliance with this division, shall specifically address each of the alleged grounds for noncompliance.

- CSUF Woods report of June 2023 was not offered for public review, nor even summarized as permitted by CEQA. Only key sentences from the study, offered without context, were cherry-picked to support a preferred outcome. As the CSUF report is the only "evidence" of "benefits" resulting from the DisneylandForward development offered to support the Statement of Overriding Consideration, and the applicability of the findings in the report do not appear to apply to the project itself, which offers no "net new" benefits for simply shifting existing entitlements to new locations, the document should be made public prior to a final decision that relies upon its contents.

15147. TECHNICAL DETAIL

Section 21083, Public Resources Code; Reference: Sections 21003, 21061, and 21100, Public Resources Code.

The information contained in an EIR shall include summarized technical data, maps, plot plans, diagrams, and similar relevant information sufficient to permit full assessment of significant environmental impacts by reviewing agencies and members of the public. Placement of highly

technical and specialized analysis and data in the body of an EIR should be avoided through inclusion of supporting information and analyses as appendices to the main body of the EIR. Appendices to the EIR may be prepared in volumes separate from the basic EIR document, but shall be readily available for public examination and shall be submitted to all clearinghouses which assist in public review.

*Emphasis is ours.

- The CSUF Woods economic study claimed the benefits to Anaheim that justify a statement of Overriding Consideration are rooted in Disney's investment in their new development. But there is literally NO substantive difference in development entitlements between the 1996 Development Agreement and the First Amended and Restated Development Agreement. They entitle Disney to the same hotel rooms, the same square footage of theme park, etc. that Disney is already entitled to in the current agreement, a fact that Disney has promoted endlessly to the community. The only increased development requested is for additional parking spaces, an improvement which offers no economic benefit to Anaheim, as Disney does not currently share parking revenues.
- Without benefits rooted in the development investment, the Statement of Overriding Considerations appears to reach a faulty conclusion. The only "benefit" to Anaheim might be Disney's voluntary donations to the Housing Fund and Parks projects, which are not benefits resulting from Disney's investment in the development itself, and the donations were not cited by CSUF as the "benefit" derived by Anaheim to justify the development.
- In addition to not releasing the CSUF study, no determination of economic benefit has been established, to quantify how much saving would be enjoyed by taxpayers in eliminating our "obligation" to maintain streets proposed for abandonment. Given that maintenance of landscaping, lighting, etc. on Magic Way appears to fall within the scope of the Resort maintenance programs, which assess adjacent businesses, and not the general population from the City's General Fund, we challenge the premise that a significant cost savings would result to justify the loss of this public amenity. We would like City staff to please show their math on this point before a decision is made.
- The argument that only a few drivers would be inconvenienced by the loss of Magic Way misses the basic function of government, in that basic services are not always measured by the number of users. Our Fire Department's need to be on-call 24/7 for relatively few fires is a prime example. Disney has also not revealed why their current use of the roadway, now shared with local residents, is insufficient for their needs. Nor have they revealed why they believe future use of Magic Way might increase to the point of needing the entire roadway, when the parking structures surrounding Magic Way are already maximized, and increased parking spaces requested in the proposal for DisneylandForward are to be used on the east side of Harbor Blvd.
- The appraisal for street right of way and abandonment of future easement commitments has not been disclosed. We only have the final amount agreed between the City and Disney, with no publicly available baseline for what a "fair market value" might have

been. This is especially alarming given the City's recent experience related to the valuation of the Stadium parking lot. We request that documentation be disclosed to assure residents that the value is credible.

- We oppose locking in the price of roadways based on 2023 appraisals for streets that may not be abandoned for years into the future, when land values may be significantly higher. Magic Way cannot be abandoned until the LPMR bonds released in 1997 are repaid in full, an event scheduled for 2037. We suggest values be determined in the year the roads are actually abandoned and put to use by Disney.
- We object to the abandonment of City streets and future right of way, without guarantees of future development. While Disney has offered \$5MM if investment has not reached specific spending levels by specific dates, it appears Disney would still retain the exclusive use of our City streets without the development investment prompting the abandonment. We recommend performance benchmarks that "clawback" promised street closures should development not proceed within a specific time frame.

The CEQA requirement for a Project Definition to be "stable and finite" does not appear to have been met, with no credible definition of a "project," but simply a restatement of proposed goals.

In Stopthemillenniumhollywood.com, et al. v. City of Los Angeles, et al. the Second District Court of Appeal (Division 3) invalidated the final environmental impact report (EIR) and entitlements for the Millennium Project, a controversial mixed-use development in Hollywood surrounding the historic Capitol Records Building. In a published decision, the Court held that the EIR violated the California Environmental Quality Act (CEQA) because the project description was not stable and finite.

The Court of Appeal affirmed the trial court's judgment holding that the project description "is an indispensable element of both a valid draft EIR and final EIR" and that it "must be accurate, stable and finite." The Court continued:

"... the project description is not simply inconsistent, it fails to describe the siting, size, mass, or appearance of any building proposed to be built at the project site. The draft EIR does not describe a building development project at all. Rather, it presents different conceptual development scenarios that Millennium or future developers may follow for development of this site. These concepts and development scenarios – none of which may ultimately be constructed – do not meet the requirement of a stable or finite proposed project."

- The Amended Development Agreement includes language with the potential to greatly impact administrative actions and the City's taxing authority well into the future. Those changes have not been addressed in any public meetings to date, as the Amended Development Agreement was made public for the first time on Friday morning. We expand on this concern in the body of this record.
- A review of future impacts to the entitlement process for non-Disney developments has not been made public, to consider how we address the next corporation seeking to "spot-zone" an industrial impact adjacent to residential neighborhoods, or otherwise demand similar permission to bypass basic process to protect all Anaheim stakeholders

from neighbors with incompatible land uses. When “economic benefit” is the only justification for permitting conflicting land use, then the City Attorney’s office should provide legal guidance for how we prevent less politically expedient projects from impeding on existing neighborhoods.

We have included more technical information regarding opposition and concern for this project, as well as specific reference materials, in the body of this communication.

The following document does not represent a comprehensive review or objection to the DisneylandForward project, but is the good faith effort of concerned residents and Anaheim stakeholders to express our alarm at the haste that had prevented adequate public review of the project, deficiencies we believe may be in the documents, and some misinformation that may have long term impacts to Anaheim for decades to come included in legally enforceable agreements.

While Disney has been applauded for their “Public Outreach,” the information they provided during events, on their website, and in printed materials has been devoid of specifics, lacks details, and relies heavily on words like, “could, may, or might” to describe an undefined future project while bypassing legitimate government oversight for the next 40 years.

Not until we were granted access to actual written materials available through the City of Anaheim did we have even a minimal understand of the issues, and even then much information has been left off the table.

A real-world example of this lack of information is the fact that Comments submitted for EIR 352 prior to the October 30, 2023 close of Comment Period fail to address specifics in messages of opposition or support. Comments submitted during that period were largely generic, and the only specific issues raised appear to be requests for additional information.

Contrast this with the sudden alarm at the closure of Magic Way, which has elicited numerous letters, emails, comments during Public Meetings, and on ongoing petition with 743 signatures at last count, far more than the total of support letters received for the project during the Comment period which closed October 30, 2023. Public outrage created such controversy that Disney was forced to complete a traffic report that was missing in the earlier EIR 352. Had the DisneylandForward EIR 352 and related Disney Public Outreach efforts revealed specific actions proposed for the future, such as the Magic Way closure, which was misrepresented as “an option” that had been “requested by residents,” the outpouring of alarm would have been reflected in much earlier comments.

While not a complete review of the documents released Friday, this is a good faith attempt to register some of our objections, and request specific action, if possible, in addition to the request to delay decision making for a full review of the facts.

Or, as Disney’s Deanna Detchemendy wrote to City staff in the October 18, 2023 application for abandonment easement...I would say;

“Since speed is more important than perfection in this moment to stay on track time-wise, you’ll see a solid B+ effort here.”

For this reason, we also ask that you forgive formatting, typos, and spelling errors that may appear in our haste to respond to DisneylandForward. Yes, we were raised better than this, but this is what we have to work with.

Thank you for your time, and your service to our community.

Respectfully Submitted,

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Objection to Project Description we believe does not comply with CEQA's requirement for a "stable and finite" project description, as reflected in the published litigation "StoptheMilleniumhollywood.com, et al. v. City of Los Angeles, et al."

III. Project Description

- We challenge that DisneylandForward's "Project Description" lacks the specificity needed to be found "stable and finite" as required by CEQA.

In [Stopthemillenniumhollywood.com, et al. v. City of Los Angeles, et al.](#) the Second District Court of Appeal (Division 3) invalidated the final environmental impact report (EIR) and entitlements for the Millennium Project, a controversial mixed-use development in Hollywood surrounding the historic Capitol Records Building. In a published decision, the Court held that the EIR violated the California Environmental Quality Act (CEQA) because the project description was not stable and finite.

The Court of Appeal affirmed the trial court's judgment holding that the project description "is an indispensable element of both a valid draft EIR and final EIR" and that it "must be accurate, stable and finite." The Court continued:

"... the project description is not simply inconsistent, it fails to describe the siting, size, mass, or appearance of any building proposed to be built at the project site. The draft EIR does not describe a building development project at all. Rather, it presents different conceptual development scenarios that Millennium or future developers may follow for development of this site. These concepts and development scenarios – none of which may ultimately be constructed – do not meet the requirement of a stable or finite proposed project."

Challenge to Facts in Support of Statement of Overriding Considerations:

"The Anaheim City Council hereby finds that the substantial benefits resulting from implementation of the Project outweigh the potential unavoidable adverse effects related to air quality, cultural resources, greenhouse gas emissions, and noise. The Anaheim City Council has reviewed the substantial evidence before this decision-making body and concludes these potentially significant unavoidable impacts are acceptable based upon the overriding considerations set forth in these Findings. Any of these overriding considerations is sufficient to support the Anaheim City Council's determinations herein:"

- We challenge that the Anaheim City Council, and/or their representatives on the advisory body of the Anaheim Planning Commission, have not been offered the appropriate time and opportunity to “review the substantial evidence before this decision-making body” and include these potentially significant unavoidable considerations set forth in these findings. We also believe that critical information required to “review the substantial evidence before this decision-making body” has not yet been disclosed for public review, including the Appraisals by CBRE from 2023 regarding the value of right of way to be abandoned, and the CSUF Woods economic report upon which the City’s Statement of Overriding Consideration is based.

§ 21003. PLANNING AND ENVIRONMENTAL REVIEW PROCEDURES; DOCUMENTS; REPORTS; DATA BASE; ADMINISTRATION OF PROCESS

The Legislature further finds and declares that it is the policy of the state that:

(b) Documents prepared pursuant to this division be organized and written in a manner that will be meaningful and useful to decision makers and to the public.

Critical information was only released on Friday, March 8, with nearly 3,000 pages to review, incorporate into an understanding of the prior 17,000 pages of EIR 352, and contrast and compare with the previous documents from the 1996 agreements, before a decision is asked of the Planning Commission on March 11, 2024.

This late release of the Gibson traffic report for the elimination of Magic Way, a previously required Mitigation Measure in EIR 311 and Modified Mitigation Measures 0067, as well as Development Agreement of 1996, was not included in EIR 352 public release for a Comment Period ending October 30, 2023, and was not subjected to the review and comment of residents or Responsible Agencies tasked with such review.

A letter dated April 27, 2021 from Andy Uk, the Associate Planner in charge of CEQA compliance to Elaine Thienprassidhi stated that the City would hire “on call environmental consultants to peer review the documents prepared by Psomas. The intent of this peer review is to assist staff in its recommendation as to whether the City, as lead agency, should certify the Subsequent EIR...”

“If any additional tasks are determined later in the process, staff will request an amendment to the on-call consultant’s SOW (scope of work).”

- We challenge that a report by Gibson Transportation dated March 7, 2024 was not likely to have been subject to peer review of the on-call environmental consultants tasked with recommending to staff whether the EIR should be certified. Since the Closure of Magic Way, a required Mitigation Measure in previous Environmental documents including EIR 311 and Modified Mitigation Monitoring 0067, should have been subject to the same peer review as the earlier documents in the EIR 352 released for public review in September 2023.

- April 22, 2021 letter from David Kennedy, Case Engineer at Public Works-Traffic engineering to Elaine Thienprasiddhi stated , *“Please note that all traffic impact studies that are not completed by one of the City of Anaheim on-call traffic engineering consultants through the City’s on-call agreement shall be peer reviewed by one of the City’s on-call consultants prior to being reviewed by City staff, at the applicant’s expense.”*

In the Gibson traffic report dated March 7, 2024, they state;

“In response to recent public interest concerning the effects of the Magic Way abandonment, Disney conducted traffic counts and analyzed the redistribution of the trips currently using the Walnut Street & Magic Way intersection to surrounding streets and intersections. The results of the recent traffic counts are summarized in Table 2 and provided in Attachment A to this memorandum.”

An “Intersection Turning Movement Count” chart identifies the company that prepared the document as PREPARED BY: AimTD LLC. tel: 714 253 7888 cs@aimtd.com

Gibson states that “Disney conducted traffic counts.”

- Therefore, we would argue the Gibson supplemental traffic report created with data from AimTD LLC was not likely to have been peer-reviewed by the City’s on-call consultants between the report’s creation, dated March 7, 2024, and the report’s release to the public the morning of March 8, 2024.

§ 21092.1. ADDITION OF NEW INFORMATION; NOTICE AND CONSULTATION

When significant new information is added to an environmental impact report after notice has been given pursuant to Section 21092 and consultation has occurred pursuant to Sections 21104 and 21153, but prior to certification, the public agency shall give notice again pursuant to Section 21092, and consult again pursuant to Sections 21104 and 21153 before certifying the environmental impact report.

Findings of Fact and Statement of Overriding Considerations

**Final Subsequent Environmental Impact Report No. 352
State Clearinghouse No. 2021100402**

- **WE OBJECT TO THE LACK OF INFORMATION , and MISINFORMATION OFFERED IN THE CITY’S “FINDING OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS “**

Section 21083, Public Resources Code; Reference: Sections 21061 and 21100, Public Resources Code; San Francisco Ecology Center v. City and County of San Francisco, (1975) 48 Cal. App. 3d 584. An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.

Provides Economic Benefits to the City of Anaheim: The Disneyland Resort is the largest employer in the City of Anaheim and is one of the main engines supporting the City’s economy. Based on a June 5, 2023 study conducted by California State University, Fullerton, for every \$1,000,000,000 Disney invests in the City of Anaheim, the City of Anaheim receives \$15,000,000 in annual tax revenue from Resort operations and \$253,000,000 in economic output. The DisneylandForward Project is expected to generate revenue to the City from transient occupancy taxes (TOT) and sales taxes and Disney is not requesting any public funding for the Project. This additional revenue will increase the City’s General Fund, which is used for a wide variety of public benefits, including funding police and fire personnel and resources, local school districts, parks, libraries, and capital improvements.

The ***Project Description*** states;

“The Project would not increase the amount of development square footage or hotel rooms currently allowed in the DRSP and analyzed in EIR No. 311, which the City certified in 1993, or the number of hotel rooms currently allowed in the ARSP and analyzed in SEIR No. 340, which the City certified in 2012. However, the Project would permit an increase of 4,376 theme park-related parking spaces in the ARSP.”

An increase of 4,376 theme park-related parking spaces does not appear to generate a significant economic benefit to Anaheim, as Disney does not share parking revenues with Anaheim, and (currently) no tax is generated from parking spaces in the City of Anaheim. The development does not offer to create any hotel rooms or theme park square footage over the entitlements already granted to Disney in 1996, which are restated in the above paragraph. Nothing in this proposal represents additional development or associated development revenues above and beyond what Disney is permitted to build already. Indeed, Disney was expected to build by 2010, according to the initial Development Agreement in 1996.

- Thus, we argue there is no net-new benefit to this proposed Project above what Disney is already entitled to build, and therefore no economic benefit that outweighs the documented negative impacts of the Project.

Additionally, claims of economic benefits have been attributed exclusively to the Woods Center CSUF report of June 2023, which was never made available for public review. While CEQA does permit summarizing technical reports, the Findings do not even offer a Summary of the Woods Center economic study, but simply “cherry-pick” sentences without offering context, or an ability for the public to determine the credibility of the report.

The CSUF Woods economic report says of the “benefits” which justify a Statement of Overriding Considerations;

“Based on a June 5, 2023 study conducted by California State University, Fullerton, for every \$1,000,000,000 Disney invests in the City of Anaheim, the City of Anaheim receives \$15,000,000 in annual tax revenue from Resort operations and \$253,000,000 in economic output”

Investment in the hotel rooms and theme park square footage identified in the Amended and Restated Development Agreement would be identical to the investment for the SAME number of hotel rooms and theme park square footage already entitled in the existing Development Agreement from 1996. There is no increased investment that is not already entitled. The development itself does not generate net-new revenues. The only “benefit” might be generated by Disney’s voluntary offer of Housing Fund and Parks donations, but those funds were not the cited by CSUF as the basis for belief that investment benefits Anaheim.

- Therefore, the Statement of Overriding Consideration lacks any justification, as no net new revenues will be generated, and negative impacts are not offset by benefits.

Provides Jobs: *The DisneylandForward Project will require local workers to fill construction and skilled labor jobs over the 40-year buildout period. Because the Project will be developed over an extended timeframe, permanent part-time and full-time jobs also will be required over this same period and into the future. These jobs will be available to local workers and will include hotel, theme park, retail, dining, and other service industry work. Based on a study conducted by California State University, construction jobs over a four-year period and 2,292 operational jobs are added to the local economy.*

Again, see challenge above. The development of Disney property is already entitled from the 1996 agreements. If Disney is not requesting development of additional hotel rooms or square feet of theme park, retail, or other revenue-generating space, the employment required in the

future, as well as temporary construction jobs, would remain the same as would have been generated had the same development been completed by 2010, as agreed.

- There is no net new employment benefit in the DisneylandForward proposal than would have been generated by the 1996 Agreements for the same number of hotel rooms, theme parks, and other development.

Sustainability and Efficiency: *The Project will continue to implement sustainability features that go beyond compliance with federal, State and local environmental rules and regulations. The Project will incorporate key sustainability features, including the following: high-efficiency lighting and other electrical equipment; water efficient landscaping and irrigation systems; water saving fittings, fixtures, and equipment; incorporation of electric vehicle chargers; use of recycled paper products; and recovery and recycling of materials.*

Sustainability and efficiency features are already implemented by Disney as agreed to in the 1996 contracts, and new technology not yet developed prior to earlier Development Agreement has been voluntarily adopted by Disney.

- There is no net new benefit to Anaheim in their continuation of adhering to compliance to which they are already obligated, or actions they have chosen to take for the convenience of their paying guests.

Increased Pedestrian Safety: *The Project has been designed to increase pedestrian circulation and safety throughout The Anaheim Resort. The Project proposes new and enhanced pedestrian linkages between land uses and areas of the Project Site, including landscaped walkways, promenades, and plazas. The Project also includes grade-separated pedestrian bridges or crossings to reduce potential pedestrian/vehicular conflicts and improve pedestrian and vehicular circulation in The Anaheim Resort; specifically, the Project will include construction of at least one and up to three pedestrian bridges over Harbor Boulevard north of Disney Way and south of Manchester Avenue, improving pedestrian connectivity and safety within The Disneyland Resort. The Project may also construct two additional pedestrian bridges or crossings over Disneyland Drive between Magic Way and Katella Avenue.*

Disney is obligated to ensure a safe pedestrian environment for their guests, and is already entitled to create pedestrian walkways, pedestrian bridges over public roadways, and other pedestrian features, which are defined in the 1996 Development Agreement.

The improvement most likely to offer additional pedestrian safety that not is already entitled in the 1996 agreements is a pedestrian crosswalk at Magic Way and Walnut, yet that feature is not listed here as a benefit to Anaheim to be considered offsetting the

negative impacts of the DisneylandForward project, such as the loss of Magic Way as a public roadway.

If unsafe conditions currently exist in and around the Resort, it is the responsibility of Disney to correct those conditions on their own property, and it is the responsibility of the City of Anaheim to correct those conditions on public property.

- There is no net new benefit to Anaheim in making unsafe conditions safer, this is simply the expectation of any taxpayers when viewing the services offered by local government or private business aware of their own liability issues.
- If future development is likely to result in unsafe conditions for pedestrians, it is the responsibility of Disney to correct and mitigate those conditions due to their own development.
- Since unsafe pedestrian conditions are already the responsibility of local agencies or private parties, there is no net new benefit to Anaheim in this proposed project.

Bicycle Circulation: The Project will install bicycle facilities, including the following: a Class I Bike Path on the east side of Walnut Street from Ball Road to Katella Avenue; a Class I Bike Path on the north side of Disney Way between Anaheim Boulevard and Clementine Street; a single two-way, off-street, shared-use pathway for pedestrians and bicycles on the west side of Clementine Street between Alro Way and Disney Way; and a bike parking facility in the East Parking Area and/or Parking Overlay just north of the East Parking Area. The Project also will dedicate right-of-way and contribute in-lieu fees to fund proposed Class II bicycle lanes on Ball Road east of Walnut Avenue and on Haster Street south of Katella Avenue.

Disney is already obligated to incentivize alternative transportation methods such as ride-sharing, bicycle use, and other non-passenger-vehicle options into the Resort.

- There is no net new benefit to Anaheim in Disney fulfilling an existing obligation.

Vehicle Trip Reduction: The Project will continue to implement trip reduction measures, including those that directly support alternative means of transportation like transit, bicycle travel, and pedestrian movement. The Project will continue to implement Disney's Transportation Demand Management (TDM) program that includes: bicycle parking and amenities; online ride-matching and carpool/vanpool program; guaranteed return trip program; incentives for using alternative travel modes; flex schedule and telecommuting; electric vehicle parking and incentives; shuttle services; and promotions, marketing and education to make employers and employees aware of the various programs and benefits offered. Additionally, the Project will implement specific improvements to reduce vehicle miles

traveled, including use of the East Esplanade Transportation Center and construction of pedestrian bridges or crossings within The Anaheim Resort.

- Disney is already obligated to incentivize alternative transportation methods such as ride-sharing, bicycle use, and other non-passenger-vehicle options into the Resort.
- There is no net new benefit to Anaheim in Disney fulfilling an existing obligation

Some of the project requirements, like the abandonment of Gene Autry Way's right of way that is needed to complete the roadway and mitigate traffic on Orangewood and Katella, will make traffic worse. New Mitigation Measures were determined "Not Feasible" in the Gibson report, so the only mitigation option was to complete Gene Autry Way between Haster and Harbor, bringing vehicles in from the 5 Freeway to Convention Way. This loss of future project completion has been documented to create additional congestion as more vehicles pour into Anaheim to enjoy the new "immersive experience" being offered to future Disney visitors.

- We challenge the statement that DisneylandForward will reduce vehicle trips or improve traffic circulation in any way, as the Amended and Restated Development Agreement repeats obligations already in the original Development Agreement, while removing existing roads and eliminating options for future roads.

Abandonment of Magic Way still offers Disney patrons the same use of Magic Way that is enjoyed today, so there is no reduction in vehicle miles that are currently logged. Instead, local traffic is likely to impact other roadways not intended for cut-through traffic, a potential impact that was not studied, nor even considered by Gibson Transportation in the report released March 7, 2024.

- There is no benefit to the public in the abandonment of Magic Way, and Disney has not justified their need for exclusive use of the roadway for the same purpose they already enjoy today.

§ 21002. APPROVAL OF PROJECTS; FEASIBLE ALTERNATIVE OR MITIGATION MEASURES

The Legislature finds and declares that it is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects, and that the procedures required by this division are intended to assist public agencies in systematically identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects. The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.

Structural Height and Setbacks: *The Project will implement modified height restrictions and a Sky Exposure Plane to limit heights and require buildings to step back from the property line along certain roadways to reduce visual exposure from adjacent, off-site uses. The Project would 1) permit more natural light to reach the street or property line adjacent to a proposed building or structure, and 2) reduce the apparent bulk and mass of any building. The Project also will*

require compliance with the 360-Degree Architectural Treatment Criteria set forth in the Disneyland Resort Specific Plan and the Anaheim Resort Specific Plan to ensure sufficient screening from adjacent properties.

- We challenge the premise that Disney is removing height, as structures do not currently exist, and simply backing off even higher limits proposed previously but not yet approved is not a “benefit” to the public. There is no net new benefit to Anaheim for not building to a height that has not existed.

J. POPULATION AND HOUSING

1. The Project will not displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere, and thus there is no impact.

- We challenge the claim that Disney’s expansion will have no impact on housing, and we believe the issue has not been adequately studied.

The model for Disney’s workforce recorded in the 1993 EIR 311 by Michael Brandman and Associates assumed that part-time seasonal workers, such as students or homemakers as secondary wage earners and occupying existing owner-occupied housing that represented a large portion of their Cast Members would continue when the Resort expanded in 2001 to a full-time, year-round, multi-day destination. This assumption not only makes no sense when considering the staffing needs for the greatly expanded Resort, it does not fit current information provided by numerous housing advocates to reflect the reality of today’s Cast Members struggling to obtain housing on the low wages of service industry tourism jobs.

- The Housing Element that should be the guiding force for all future development has not yet been adopted by the City of Anaheim, despite being completed and offered for review in 2023. We propose that no large-scale development intended to impact the community for the next 40 years with expedited entitlements should be approved without incorporating more recent information from the Housing Element.

GATE TAX

- We challenge that the following findings of **Effects Determined to have No Impact During Scoping Process and Effects to Have No Impact or Be Less than Significant Without Mitigation** may all potentially be linked to the issue of NIGHTLY PYROTECHNICS DISPLAYS, which to our knowledge have never been studied for **potential impact to GEOLOGY AND SOILS, HAZARDS AND HAZARDOUS MATERIALS, HYDROLOGY AND WATER QUALITY**, related to the possible cumulative effects of “debris fields” from the fireworks shows, which rain down upon local residence properties, commercial

businesses, public thoroughfares, and spaces where the general public may be exposed to potentially hazardous fallout from materials not yet studied for impacts.

- We request that the impacts of NOISE and AIR QUALITY should be studied to determine negative effects to the public from airborne shells exploding prior to debris fields raining unknown/unstudied substances upon the ground.

IV. Effects Determined to have No Impact During Scoping Process

At the onset of the CEQA process, the City determined that a Subsequent EIR would be required for the Project and an Initial Study was prepared to focus the required analysis to be carried through to the Subsequent EIR. Through the Initial Study, the City determined that no new or substantially more severe significant impacts than those disclosed in the Prior EIRs or no impact would occur related to the following topics, and that no further review would be conducted in the Subsequent EIR. The following effects were determined to have no impact:

E. GEOLOGY AND SOILS

F. HAZARDS AND HAZARDOUS MATERIAL

G. HYDROLOGY AND WATER QUALITY

I. NOISE

V. Effects Determined to Have No Impact or Be Less Than Significant Without Mitigation

The Draft Subsequent EIR found that the Project would have no significant impact or a less than significant impact without the imposition of mitigation for the environmental topic areas listed below.

A. AIR QUALITY (Threshold 5.2)

Project Conclusion Compared to Previous EIR Conclusions

- We challenge the “finding” that Disney’s development of property consistent with current entitlements presents a net new benefit, while creating no negative impact, or negative impact that can be mitigated, or found to be of such benefit to the community that a Statement of Overriding Consideration is appropriate.

Disney is building the same hotel rooms, theme park sq. footage, etc. while adding parking spaces that provide no visible economic benefit to the community. Yet Disney also proposes eliminating the public amenity of public use of Magic Way, resulting in the likelihood of traffic impacts not yet studied by the assumptions of Gibson Transportation submitted March 7, 2024. Disney proposes the loss of right of way needed to complete Gene Autry Way between Haster and Harbor, which was the ONLY feasible traffic mitigation possible to minimize impacts to Orangewood Avenue and Katella. There appears to be no benefit beyond that expected from the 1996 Agreements and entitlements, but additional negative impacts that had been planned for in those 1996 Agreements.

Review and challenge of Traffic Study Dated March 7, 2024 by Gibson Transportation regarding Magic Way

2023 OPERATIONAL ANALYSIS

Consistent with the selection of study intersections in EIR No. 311 and SEIR No. 340, this intersection was not selected as a study intersection for the Operational Traffic Analysis because of the turn restrictions and lack of a traffic signal at the intersection of Walnut Street/Magic Way. It is the City's standard practice to not study minor, unsignalized intersections that operate with lighter traffic volumes as distinct from signalized intersections intended to provide areawide circulation.

- Magic Way and Walnut lacks a traffic signal, but there is a sizable signalized intersection at Magic Way and Disneyland Drive, therefore Magic Way should have been studied, based on "Anaheim practice."
- Additionally, "City practice" to not study intersections with a lack of traffic signals does not overcome the responsibility under CEQA to study the elimination of a previously required Mitigation Measure, as Magic Way was identified in prior EIR 311, Development Agreement 1996, and other agreements of the period.
- While not part of this specific section, it must be noted that no study has been made public regarding the impact of a pedestrian crosswalk signal at Magic Way and Walnut. As currently used, traffic exiting and entering Magic Way and Walnut make non-signalized turns through natural breaks in traffic which do not impede the free flow of vehicles on Walnut. A signalized crosswalk will bring traffic in both directions to a full stop, potentially backing up vehicles.
- If pedestrian crossings at Magic way have become dangerous, another option for consideration is the installation of fencing to prevent jaywalking mid-block, as is used on Harbor Blvd adjacent to Disneyland Park.

Magic Way West Volumes

The traffic counts confirmed a relatively small number of vehicles use the Walnut Street & Magic Way intersection as was intended with the original design of Magic Way.

- Here Gibson admits that neighborhood traffic is consistent with “the original design of Magic Way” which argues against eliminating local use.

Conditions with Rerouted Traffic

On a Friday, which is typically the busiest weekday for The Disneyland Resort, those counts showed a total of 193 vehicles using Magic Way during the morning peak hour and 124 vehicles using Magic Way during the afternoon peak hour turning from northbound Walnut Street to eastbound Magic Way (a total of 30 of which were determined to pass through to I-5 during the morning peak hour). In addition, there were 55 vehicles during the morning peak hour and 141 vehicles during the afternoon peak hour turning from westbound Magic Way to northbound Walnut Street.

Trips turning from northbound Walnut Street to eastbound Magic Way first turn onto Walnut Street either from Cerritos Avenue or Katella Avenue. For Disney-related trips, which are the vast majority of trips using Magic Way, the alternative route options are either to (a) continue up Walnut Street to Ball Road and turn onto Disneyland Drive or (b) continue along Katella Avenue and turn north onto Disneyland Drive. Trips turning from westbound Magic Way to northbound Walnut Street would instead travel up Disneyland Drive and turn west onto Ball Road.

Gibson appears to have only studied intersections immediately adjacent to the Resort when proposing alternate trip routes following the closure of Magic Way. The assumption that local drivers already using Magic Way to avoid Ball Road or Katella will opt for Ball or Katella when Magic Way is closed indicates a lack of knowledge regarding Anaheim residents familiar with the area. Tourists, unfamiliar with local roadways, will opt for major arterials when Magic Way is closed for lack of other obvious options. Local traffic, like water, seeks the path of least resistance, and will find another local shortcut to their freeway destination.

Additionally, Disneyland Forward proposes 2 new hotels, with guests gaining access at Ball Road, not Disneyland Drive as required by the 1996 agreements. This additional hotel traffic will create even more incentive for local residents to avoid Ball Road and find more creative paths to the freeway through local streets not intended to handle those increased vehicle trips.

The most likely pathway to shoulder the burden of Magic Way’s loss is northbound Walnut Street, past Ball Road, to Santa Ana street which allows a short “jog” of half a block east, to north-east bound Manchester, which joins Lincoln, where the 5 freeway may be accessed north or south. This is already the path used by many “locals” during peak periods when guests are exiting the theme parks and Disneyland drive is to be avoided along with Ball, Katella, and Harbor Blvd.

The obvious negative impact to increasing traffic use on Walnut Street north of Ball Road is that Walnut narrows to one lane in each direction north of Ball Road, and a choke-point is created just south of Santa Ana/Broadway where Betsy Ross School facilitates drop off and pick up activities for students. Additionally, drivers seeking a freeway entrance tend to travel at faster speeds than neighborhood traffic, which may be entering the roadway from adjacent residential streets. This very likely scenario has not been considered by the traffic engineers, whose study offers no real-world experience with Anaheim traffic patterns.

- A viable traffic study might include the temporary closure of Magic Way while monitoring traffic further down adjacent streets such as Walnut north of Ball Road to test the assumptions of the current traffic study and offer real-world feedback on driving patterns likely to develop in the future, and the impacts to be mitigated in that scenario.
- We strongly object to the lack of time for the review of the Gibson traffic report specific to the closure of Magic Way. The traffic study for Magic Way was only made public on March 8, 2024, for action to be considered by the Planning Commission on March 11, 2024. This offered only 4 days to review new information related to the elimination of a previously required Mitigation Measure, which we challenge obligated the Lead Agency to make the New Information available for an appropriate period of review and comment by the Public, and the Responsible Agencies who should have had access to this information in the release of EIR 352 for comment by October 30, 2023.

Review and Comments Related to:

First Amended and Restated Development Agreement 96-01

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act, Sections 65864, et seq., of the Government Code. The Development Agreement Act authorizes the City to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to, among other things: encourage and provide for the development of public facilities in order to support development projects; provide certainty in the approval of development projects in order to avoid the waste of resources and the escalation in project costs and encourage investment in and commitment to comprehensive planning which will make maximum efficient utilization of resources at the least economic cost to the public; provide assurance to the applicants of development projects (1) that they may proceed with their projects in accordance with existing policies, rules and regulations, subject to the conditions of approval of such projects and provisions of such development agreements, and (2) encourage private participation in comprehensive planning and reduce the private and public economic costs of development;

- We argue that Disney already enjoys the “certainty in the approval of development projects in order to avoid the waste of resources and the escalation in project costs”

and “assurance with existing policies, rules, and regulations,” because Disney already enjoys the stability of a Development Agreement signed in 1996, permitting them the same number of hotel rooms, theme park square footage, and other development rights and entitlements Disney currently requests in the proposed DisneylandForward expansion. Therefore, any alterations to the prior contracts that may be represented in the First Amended and Restated Development Agreement that result in negative impacts must be offset by benefits to the community that are not already provided for in the existing agreement.

Recitals in the First Amended and Restated Development Agreement report numerous contract changes approved by the City of Anaheim over the years, permitting Disney to shift plans for their properties in a long-standing partnership between Anaheim and Disney dating back to the earliest days of Walt’s untried dream being embraced by our local community.

Disney has still failed to complete development of their properties by 2010, as was anticipated by those 1996 agreements, indicating their failure to complete promised improvements, relied upon by Anaheim to forecast future tax revenues, was unrelated to the City of Anaheim prohibiting such changes, but appears to have been a choice by Disney to not move forward with anticipated, and entitled development.

- We object to the lack of specific benchmarks or timelines for performance in the Amended Development Agreement, which would allow Disney an additional 40 years to complete the same level of development they failed to complete in the last 14 years. There is no net-new benefit to Anaheim in this agreement, only further delay to obtain the benefits of tax revenue associated with development that is already overdue.

Since the opening of Disneyland’s original park in 1955, 13 different “expansions” to the theme park have been publicly announced by the company, yet never completed. These 13 projects were not tentative plans for the future if conditions permitted, but actual, clearly-defined expansion plans announced to the public and media, with artist renderings, locations identified, and timelines presented. Disney is known for changing their minds, as they are free to do as a private company.

- We feel the City of Anaheim would be wildly irresponsible to lock in specific, tangible benefits to Disney, resulting in what we believe are negative impacts that cannot be mitigated, without very clearly defined benchmarks for performance that hold Disney accountable for specific performance, or result in the loss of entitlements and benefits associated with various development stages of the proposed project.

For example, abandonment of public right-of-way such as the planned completion of Gene Autry Way between Haster and Harbor, or Clementine Street and Hotel Way, should only be granted once Disney completes specific development goals, such as the completion of the parking structure east of Harbor Blvd and/or the pedestrian bridge over Harbor Blvd. These are reasonable expectations, as Disney’s need for those right

of way abandonments is tied to construction of associated project stages. Granting such benefits to Disney with only a \$5M “guarantee” appears insufficient, given the long-standing history of Disney’s failure to develop other projects, including the remaining 47% of property entitled in 1996 and not yet completed.

- We also request that creative solutions be sought to avoid the closure of existing roads or the abandonment of plans for future roads. As an example, a cut-and-cover tunnel beneath Disney property between Harbor and Haster, or a flyover ramp over the property, might permit completion of the roadway and relief for congestion on Orangewood and Katella, while still facilitating Disney’s development of their property. Yet no evidence has been presented to the public to indicate that solutions have been attempted or discussed. Disney employs the most brilliant Imagineering minds in engineering and architecture, surely they can craft a solution for so simple a problem.

The First Amended and Restated Development Agreement states that Applicant may not start Magic Way until bonds paid. The last anticipated payment on LPMR bonds appears to be due in 2037. We are unsure if this future deadline references when the last bond holder is paid from the bond accounts or when funds are set aside in holding accounts for future payment upon bond maturity.

The First Amended Development Agreement has set the price for public right of way to be abandoned, based on an appraisal not yet made public, derived from a value established in June 2023, for property that could not be abandoned and transferred until roughly 2037.

The City has agreed to sell public land based on 2023 values for a transaction that cannot take place on or significantly before 2037, when property values are likely to be higher than 2023.

- We request that the value of right of way entitlements should be set at the date they are enacted, based on an appraised value that is made public well in advance of the transaction.

WHEREAS, the Theme Park uses in The Disneyland Resort Project as updated by DisneylandForward will provide opportunities for new hotel and retail growth in The Anaheim Resort and the City, which will provide new general fund revenues intended to offset incremental City costs associated with such growth;

- We wish to oppose this language, and respectfully request that this portion of the agreement be discussed in an open and public meeting, and the text changed if necessary. This language indicates that the “new general fund revenues” that are elsewhere claimed to provide public amenities, are instead “*intended to offset incremental costs associated with such growth.*”
- We challenge this premise, as “incremental costs associated with such growth” should be paid by Disney as a mitigation issue, and should not be taken from “new

general fund revenues” promised elsewhere in the documentation as a benefit for public services.

During the Term, Disney, in its role and capacity as a voting member of ATID or any successor agency serving the same or a similar purpose as ATID, agrees not to oppose use of ATID (or successor agency) funds for operation and maintenance costs of any East-West Connector Project that may be constructed by the City.

- This “East-West Connector has not yet been revealed to the public, but Disney is already opting out of participation beyond ATID funds, despite the probability that their guests would be the largest body of users.

LPMR Bonds and Gate Tax

1.39 “Finance Agreement” means that certain *Infrastructure and Parking Finance Agreement, dated October 8, 1996, by and among the City, the Authority, Disney, and The Walt Disney Company, providing for the financial arrangements by and among them with regard to the funding and construction of infrastructure and other improvements.*

- Any changes to the obligations of this agreement should be discussed in an open and public meeting as a separate agenda item, not buried in a lengthy series of documents.

Development Agreement appears to contain a prohibition against a future “Entertainment Tax” or “Gate Tax” which is an issue to be discussed in an open and public meeting as a separate item from this Agreement. The previous prohibition on Gate Tax was tied to a Bond Guarantee from Disney that will no longer exist after 2037, and is inappropriate to include in this Amended agreement.

First Amended and Restated Development Agreement
Page 6 and 7

WHEREAS, in order to provide certainty and render development of The Disneyland Resort Project as updated by DisneylandForward more feasible in light of the large capital investment necessary to implement The Disneyland Resort Project as updated by DisneylandForward and the extended planning horizon necessary to coordinate a project of that scope and complexity, Disney requires assurance from the City, with respect to Disney Properties, that certain existing governmental entitlements shall, to the extent specified herein, not be changed or supplemented with inconsistent burdens and exactions;

3.2.7 Moratoria. *In the event an ordinance, resolution or other measure is enacted, whether by action of the City, by initiative, or otherwise, which relates to the rate, amount, timing, sequencing, or phasing of the development or construction of the Project on all or any part of the Disney Property or the implementation or construction of the Mitigation Measures, City*

agrees that such ordinance, resolution or other measure shall not apply to the Project, Disney Property or this Agreement, unless such changes are adopted pursuant to the City's exercise of its Reserved Powers or other applicable provision of this Agreement.

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6.30 Initiative Measures. *Both the City and Disney intend that this Agreement is a legally binding contract which will supersede any initiative, measure, moratorium, referendum, statute, ordinance or other limitation adopted after the Effective Date (whether relating to the rate, timing or sequencing of the development or construction of any or any part of the Project and whether enacted by initiative or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use approved, issued or granted within the City, or portions of the City, and which agreement shall apply to the Project to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation is inconsistent or in conflict with this Agreement. Should an initiative, measure, moratorium, referendum, statute, ordinance, or other limitation be enacted by the citizens of the City which would preclude construction of all or any part of the Project, and to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, Disney shall have no recourse against the City pursuant to the Agreement, but shall retain all other rights, claims and causes of action under this Agreement not so invalidated and any and all other rights, claims and causes of action as law or in equity which Disney may have independent of this Agreement with respect to the Project. The foregoing shall not be deemed to limit Disney's right to appeal any such determination that such initiative, measure, referendum, statute, ordinance or other limitation invalidates or prevails over all or any part of this Agreement. The City agrees to cooperate with Disney in all reasonable manners in order to keep this Agreement in full force and effect, provided Disney shall reimburse the City for its out-of-pocket expenses incurred directly in connection with such cooperation and the City shall not be obligated to institute a lawsuit or other court proceedings in this connection. Notwithstanding the foregoing, **this Development Agreement shall not limit City's right and power to impose taxes on the Property or Project provided that any taxes imposed are adopted pursuant to all applicable laws and that said tax qualifies as a City-Wide Tax.** For the purposes of this Section 6.30 a "City-Wide Tax" means a general or special tax generally applicable to a category of development or use of one or more kinds, wherever the same may be located in the City, including but not limited to, a general or special tax adopted in accordance with California Const, Art XIII C and D et seq. (otherwise known as Proposition 218); provided, however, that **a general or special tax which only applies to or impacts the Project shall not be considered a City-Wide Tax.***

HISTORICAL CONTEXT

For context, the reason for Anaheim's agreement to not enact an entertainment tax on Disney for the first 15 years after the 2001 opening was not tied to Disney's investment in Anaheim, but to Disney's guarantee of bond payments.

In summary, Anaheim feared that if Disney's new 2001 development now known as Disney's California Adventure (or DCA) failed to draw public attendance sufficient to cover the bond payments funding infrastructure and improvements to enable the expansion, Anaheim would be put in a negative financial position. Therefore, if DCA failed to prove financially viable, Disney guaranteed the bond payments, until such time that tax revenues would improve and cover the amounts, and at that point Anaheim would rebate or reimburse bond payments made by Disney during the carry-over period.

Disney did not want to fund a losing new project, bond payments, AND a new "gate tax" imposed by City Hall seeking new revenues not provided by Disney's new project.

Roughly 10 years ago, an argument was made to prohibit an entertainment tax, or other such fee aimed at tourism, based on the claim that Anaheim 15 year promise not to tax Disney was tied to Disney's "investment" and not their bond guarantee.

- Should the language in the new Amended DA be a vaguely worded attempt to shield themselves from another effort toward an entertainment tax, we wish to enter into the public record our strong objection to any obstacle to an Entertainment Tax or similar revenue stream that may be approved in the future by the action of City Council or citizen referendum.
- Any discussion of Entertainment Tax or similar revenue generation should be a separate stand-alone issue to be discussed in an open and public meeting and not buried in a lengthy and complex document without adequate time for review.

ASSURANCE FOR FUTURE MEASURE L COMPLIANCE

In addition, despite the efforts of several volunteers reviewing the nearly 3,000 pages of new information released on Friday, March 8, 2024, we find ourselves unable to review all pages of all documents prior to sending these comments for Planning Commission consideration on Monday, March 11, 2024. Therefore, should the Amended Development Agreement or any other agreement/contract/document considered by the Planning Commission and/or City Council regarding DisneylandForward include any language that negates future compliance with Measure L and the litigation decision of Kathleen Grace et al, Plaintiffs v The Walt Disney Company et al, Super. Ct No. 30-2019-00116850, including but not limited to language related to Disney Credit enhancement Agreement, or Reimbursement Agreement etc. we wish to enter into the public record our strong objection to such a provision in the First Amended and restated Development Agreement or any other contract or agreement related to DisneylandForward.

- We respectfully request that the City Council please consider including specific language in the Amended Development Agreement that ensures Disney's future compliance with Measure L even beyond repayment of the LPMR bond obligations on or before 2037.

3.1.3 Affordable Housing Payment. *Disney shall pay in two installments a total of Thirty Million Dollars U.S. (\$30,000,000) into a public trust established or specified by the City to be used to provide affordable housing residential units and housing affordability programs as determined by the City in its sole discretion (“Affordable Housing Payment”). Disney shall make the first payment of Fifteen Million Dollars U.S. (\$15,000,000) to the City for payment into the designated public trust no later than one year after the Effective Date unless an Enforced Delay event as set forth in Section 6.4 causes a delay in the Effective Date. Disney shall make the second payment of Fifteen Million Dollars U.S.(\$15,000,000) to the City for payment into the designated public trust no later than five years after the Effective Date unless an Enforced Delay event as set forth in Section 6.4 causes a delay in the Effective Date. The City shall require that the designated public trust that receives funding from the Affordable Housing Payment, in exchange for receiving the Affordable Housing Payment funds, shall commit to using the funds to provide affordable housing residential units and housing affordability programs in the City, the details of which shall be determined by the City in its sole discretion within the legal constraints of the designated public trust. The City and Disney acknowledge that the Anaheim Housing Authority may ultimately manage, administer and/or expend the funds from the Affordable Housing Payment in accordance with the designated public trust’s purposes, and agree that such a role is not inconsistent with the Parties’ intent herein.*

- We respectfully request a public discussion of how the parties reached agreement on this amount for Affordable Housing

3.1.4 Park Improvement Payment. *Disney shall pay the City Eight Million Dollars U.S. (\$8,000,000) to be used for park improvements outside of The Anaheim Resort as determined by the City in its sole discretion (“Park Improvement Payment”). Disney shall pay the Park Improvement Payment to the City no later than one year after the Effective Date.*

- We respectfully request a public discussion of how the parties reached agreement on this amount for Parks

3.1.9 Current and Future Right-of-Way Abandonment and Vacation.

\$40MM based on appraisal July 5, 2023

Disney shall pay to the City Forty Million U.S. Dollars (\$40,000,000) as provided in Section 3.1.9.3 The Parties have agreed to this amount as the aggregate values (each, an “Appraised Value”) of the vacation of the Existing Road Segments and for the abandonment and removal of the Mapped Road Segments based on the appraisal prepared by CBRE Valuation and Advisory Services with a Date of Value of July 5,2023 (“2023 Appraisal”)

3.1.9.2 Process and Timing; Reservation of Easements.*Disney may not submit an Abandonment Application for the Magic Way Road Segment until the public bonds which are the subject of the Finance Agreement have been fully retired and/or have reached their maturity date.*

The date for the last bond issue to be repaid is 2037. Disney and the City have agreed to a price set in 2023, for Magic Way closure that will not happen until 2037.

For these, and many other reasons, we respectfully request that the Anaheim Planning Commission delay any decision on the DisneylandForward project until adequate time has been offered for the review of new documents by the public, peer review as needed, and responsible Agencies, and concerns may be addressed, and more creative solutions might be considered to benefit both Disney and the people of Anaheim.

Thank you.

March 11, 2024 1:11 pm