

Anaheim Minimum Wage Measure Exempts Disneyland, Targets Developers, Tenants Of J.W. Marriott And Westin

October 8, 2018 | Joseph Pimentel, Bisnow Los Angeles

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Disneyland is exempt from a proposed living wage measure, but the developers of a **J.W. Marriott** and a **Westin** along with certain retail and restaurant tenants at those four-diamond hotels would be required to increase workers' minimum wage to \$18 by 2022, according to the **city of Anaheim** attorney.



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City attorney Robert Fabela sent a letter to the city council to clarify parts of Measure L ahead of a Tuesday city council meeting where he will reveal his findings to council members.

The unions representing about 30,000 **Disney** theme park and hospitality workers advocated for the measure and managed to advance it to the November ballot.

Measure L is an **Anaheim** initiative that would require hospitality businesses in the city that receive city subsidies to raise pay for minimum wage employees to \$15/hour starting in 2019, and incrementally increase it by \$1 every year to \$18 an hour by 2022. After 2022, the workers would receive a raise annually based on the consumer price index.

In the letter, Fabela clarified the impacts of the measure on the developers that have subsidy agreements with the city and answered whether Disney, which requested and recently received termination of a couple of tax rebate and incentives agreements with

the city, would still be eligible under the initiative.

Though Disney and the city have terminated their previous agreements, union officials say Disney would still be covered by the measure due to a previous 1997 agreement in which Anaheim “issued lease revenue bonds to help fund public improvements that resulted in Disney’s construction of California Adventure.”

Fabela wrote the city’s transaction with Disney does not fall under Measure L’s definition of “tax rebate.”

“Certain elements of the bond transaction include agreements between Disney, the city, and the Anaheim Finance Authority in which Disney guarantees to pay any debt service shortfall and is entitled to reimbursement if it does so, but that does not amount to a ‘tax rebate’ as that term would most reasonably be interpreted,” he wrote.



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Fabela wrote developers GardenWalk Hotel I LLC, made up of Bill O’Connell and the Prospera Group, along with FJS Inc., an arm of the Wincome Group, would be covered under the measure.

GardenWalk Hotel I and Wincome were among the developers to receive a tax rebate from the city to build a four-diamond hotel based on AAA standards in exchange for 70% of the transient occupancy tax.

Wincome has already broken ground on the Westin Anaheim. And the JV of Prospera Group and developer Bill O’Connell broke ground on the **JW Marriott**. Both developers also have a second four-diamond hotel under the agreement that is **unlikely to be built**.

Fabela added the measure would be applicable to the hotel's retail and restaurant tenants that employ 25 or more people.

President and CEO of the Anaheim Chamber of Commerce Todd Ament told *Bisnow* with Disney exempt, voters should re-evaluate the measure.

"It's clear that Measure L will give very few Anaheim residents a raise," Amento said in a statement. "But that doesn't mean its impact is small. Measure L still hurts Anaheim. By forcing the cancellation of at least two planned four-diamond hotels, Measure L will cost Anaheim over 3,000 jobs and hundreds of millions in future tax revenue. Measure L helps a few but hurts a lot."

UPDATE, OCT. 8, 4:00 P.M. PT: *The story has been updated with comment from Todd Ament, president and CEO of the Anaheim Chamber of Commerce.*

See Also: [Disney Cancels Four-Diamond Resort Plans In Anaheim](#)

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