



**APPENDIX IS-4**

**Employment Analysis Technical Memorandum**



## Memorandum

**To:** Eric Komar, Fox  
Bill Christopher, Urban Concepts  
Bruce Lackow, Meridian Consultants

**From:** Ken Hira, President, Kosmont Companies  
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**Date:** March 10, 2023

**RE:** **Fox Future Project: Employment Analysis Technical Memorandum**

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### A. Background and Purpose

Kosmont Companies (“Kosmont”) has been retained to prepare an analysis (“Analysis”) of the projected employment resulting from implementation of the Fox Future Project (“Project”). Kosmont had previously evaluated employment growth for the existing Fox Studio Lot prior to the pandemic, and Kosmont is now tasked with calculating future employment, including related potential lot visitor and vendor population. This technical memorandum summarizes the Analysis methodology and findings.

### B. Direct On-Site Employment Forecast

Kosmont estimated employment growth based on average production day figures over the course of a year-long cycle and also during peak production periods (i.e., fall through early spring). Multiple growth forecasts were utilized to account for the variance in on-site operations to accommodate the level of production occurring on the Project site. Kosmont worked in collaboration with Urban Concepts and Meridian Consultants to develop the forecasting methods utilized to estimate average and peak production day employment.

To establish a baseline for on-site employment (as well as for visitors and vendors) for the various lot functions, an Employee Mobility Study (“Study”) was conducted in March 2015. The Study separately measured both badge-swipe counts and average daily vehicle trips (ADT). Traffic counts (ADT) were separately evaluated over a six-month period (“Trip Cap Monitoring Data”) to establish an average and peak level of traffic counts to compare and calibrate the Study’s data.

The baseline on-site employment was then allocated to the corresponding building area for each primary lot use on a per-square-foot basis to be utilized as the basis for estimating on-site employment from future new construction and demolition on a building area basis. For General Office



uses, an industry-standard 250 square-feet-per-employee factor was utilized, consistent with the City of Los Angeles Department of Transportation (LADOT) Vehicles Miles Traveled (VMT) calculator.

For all primary Lot functions aside from General Office uses, the 2015 Employee Mobility Study and Trip Cap Monitoring Data identified an approximate 15 percent increase in on-site employment during peak production periods. This 15 percent peak employment factor was accordingly utilized to estimate peak employment from future new construction and demolition.

Table 1 on the following page summarizes the estimated employment factors, annual average employment, and peak employment from potential future new construction and demolition by primary Lot use category, along with the resulting “net new” employment.

In summary, net new development is estimated to generate approximately 4,761 new jobs on an annual average employment basis and approximately 4,895 new jobs on a peak period employment basis.



Table 1: Estimated Employment Factors, Annual Average Employment, and Peak Employment

	Building Area	Annual Average		Peak	
		Employment Factor (square feet per employee)	Number of Employees	Employment Factor at Peak	Number of Employees
<b>SP Area B</b>					
<b>New Floor Area</b>					
Media Campus Office	214,746 SF	270 SF	795 employees	15%	914 employees
Specialty Space	308,651 SF	400 SF	772 employees	15%	888 employees
Stage Space	223,241 SF	535 SF	417 employees	15%	480 employees
Facility Support	332,791 SF	1,700 SF	196 employees	15%	225 employees
Utility Support	47,669 SF	5,000 SF	10 employees	15%	12 employees
General Office	965,250 SF	250 SF	3,861 employees	0%	3,861 employees
<b>Total New Floor Area</b>	<b>2,092,348 SF</b>		<b>6,051 employees</b>		<b>6,380 employees</b>
<b>Demolition</b>					
Media Campus Office	(231,087 SF)	270 SF	(856 employees)	15%	(984 employees)
Specialty Space	(117,679 SF)	400 SF	(294 employees)	15%	(338 employees)
Stage Space	(79,842 SF)	535 SF	(149 employees)	15%	(171 employees)
Facility Support	(30,599 SF)	1,700 SF	(18 employees)	15%	(21 employees)
Utility Support	(1,791 SF)	5,000 SF	0 employees	15%	0 employees
<b>Total Demolition</b>	<b>(460,998 SF)</b>		<b>(1,317 employees)</b>		<b>(1,514 employees)</b>
<b>Net New Floor Area</b>	<b>1,631,350 SF</b>		<b>4,734 employees</b>		<b>4,866 employees</b>
<b>Pico Properties</b>					
<b>Reuse of Floor Area</b>					
Child Care	6,607 SF	[1]	12 employees	0%	12 employees
General Office	2,628 SF	250 SF	11 employees	0%	11 employees
<b>Total Reuse of Floor Area</b>	<b>9,235 SF</b>		<b>23 employees</b>		<b>23 employees</b>
<b>Demolition</b>					
<b>Total Demolition</b>	<b>(4,509 SF)</b>	400 SF	<b>(11 employees)</b>	15%	<b>(13 employees)</b>
<b>Floor Area to Remain</b>	<b>9,235 SF</b>		<b>12 employees</b>		<b>10 employees</b>
<b>Project Total</b>					
<b>Net Project Floor Area</b>	<b>1,640,585 SF</b>		<b>4,746 employees</b>		<b>4,876 employees</b>

[1] Forecast of child care employment is based on the size of the facility.

Source: 2015 Employee Mobility Study (2015); Trip Cap Monitoring Data for period from 12/1/2014 through 5/29/2015; City of Los Angeles Department of Transportation (LADOT) Vehicles Miles Traveled (VMT) calculator for General Office uses; Urban Concepts; Meridian Consultants

### C. Direct and Indirect Employment from Project Operation

Kosmont utilized the IMPLAN input/output econometric model developed by the IMPLAN Group to estimate the direct and indirect employment from Project implementation. This proprietary model estimates the economic effects on industries in a given geographic area based on known economic inputs, such as operating costs, or in this case, on-site employment. The model provides estimates expressed in terms of increased employment, and direct and indirect employment were evaluated and defined as follows:

- Direct economic effects refer to the initial changes resulting from a specific business activity (on-lot employment in this case). Applying these initial changes to the multipliers in the IMPLAN model will then simulate how the region will respond economically to these changes.
- Indirect economic effects result from local industries buying goods and services from other local industries. Examples would include increased sales of production equipment, catering services, or other inputs related to the business operations of the Project.

Table 2 summarizes the direct and indirect employment from the Project under the net new growth scenario, based on annual average employment. The 4,746 net new jobs estimated in the previous section are thus estimated to produce an additional 4,013 indirect or “multiplier” jobs in other industries, for a total of approximately 8,759 total direct and indirect jobs in the County of Los Angeles on an annual average basis.

*Table 2: Estimated Direct & Indirect Employment from Net New Project Operation (Annual Average)*

<b>Employment from Net New Growth - Annual Average</b>	
Direct (On-Site)	4,746
Indirect	4,013
<b>Total Direct + Indirect</b>	<b>8,759</b>
<i>Estimated City Capture</i>	<i>6,351</i>

*Notes: 100% of direct effects estimated to be captured on-site within the City. 40% of indirect effects estimated to be captured off-site within the City based on City share of total County employment base.*

*Estimated ongoing upon net new build-out and stabilization.*

*IMPLAN industry category: 429 – Motion picture and video industries*

*Source: IMPLAN; U.S. Census Bureau, Center for Economic Studies (2022)*

For illustrative purposes only, Table 3 shows forecasted direct and indirect employment from the Project during peak employment periods under the net new growth scenario. The table reflects the assumption that industries affected by indirect effects would experience employment changes directly proportional to that of the Project during peak periods.

Table 3: Estimated Direct & Indirect Employment from Net New Project Operation (Peak)

Employment from Net New Growth - Peak	
Direct (On-Site)	4,876
Indirect	4,123
<b>Total Direct + Indirect</b>	<b>8,999</b>
<i>Estimated City Capture</i>	6,525

Notes: 100% of direct effects estimated to be captured on-site within the City. 40% of indirect effects estimated to be captured off-site within the City based on City share of total County employment base.

Estimated ongoing effects upon net new build-out and stabilization.

IMPLAN industry category: 429 – Motion picture and video industries

Source: IMPLAN; U.S. Census Bureau, Center for Economic Studies (2022)

#### D. Visitor and Vendor Forecast

Consistent with the establishment of a baseline for on-lot employment, the 2015 Employee Mobility Study and Trip Cap Monitoring Data were utilized to establish a baseline for the on-lot visitors and vendors.

It was estimated that, on an annual average basis, there were approximately 1,124 daily visitors and approximately 88 vendors on lot (total of approximately 1,212 visitors and vendors). During peak production periods, the visitor population was estimated at approximately 1,301, and the vendor population was estimated at approximately 102 (total of approximately 1,404 visitors and vendors). It is assumed that, due to the lack of physical space capacity, no growth in average or peak visitor or vendor populations have occurred or will occur between 2015 and 2024.

For purposes of forecasting growth in visitor and vendor populations associated with primary lot functions aside from general office, a historical annual average growth factor was estimated by comparing the lot employment at the time of certification of the Environmental Impact Report (“EIR”) for the Fox Studio Historic Preservation and Expansion Project by the City of Los Angeles in 1993. That EIR indicated that 1993 on-site employment on a peak production day was 2,400. Based on estimated 2015 peak production employment of 4,540 as evaluated based on the 2015 Employee Mobility Study and Trip Cap Monitoring Data, employment from 1993 to 2015 grew at a compounded rate of approximately 2.95 percent per year.

A more conservative growth rate for visitor and vendor populations of 1.90% is applied into the future between 2024 and 2050 in this Analysis under both the annual average and peak production scenarios.



The visitor and vendor projections for the added general office component of the Project were derived from the prior population counts on the Studio Lot as they related to the media campus offices. The new general office component is estimated to come online in 2030 with a ten-year lease-up period.

As outlined in Tables 4 and 5 below, annual average visitor and vendor populations are expected to increase by approximately 1,826 from net new development, and peak visitor and vendor populations are expected to increase by approximately 1,929 from net new development.



**Table 4: Estimation of Future Visitors and Vendors from Net New Development – Annual Average Populations**

Annual Average = 6-Month Average ADT Counts	Estimated Annual Growth	Annual Average Visitor / Vendor Population										
		Baseline	Projected									
		2024	2025	2026	2027	2028	2029	2030	2035	2040	2045	2050
<b>Visitors</b>												
Circulation	1.90%	0	0	0	0	0	0	0	0	0	0	0
Media Campus Office	1.90%	556	574	591	608	625	641	656	724	778	821	853
Specialty Space	1.90%	254	262	270	278	285	292	299	330	355	374	389
Stage	1.90%	314	324	334	344	353	362	371	409	440	464	483
Facility Support / Amenities	1.90%	0	0	0	0	0	0	0	0	0	0	0
Utility Support	1.90%	0	0	0	0	0	0	0	0	0	0	0
General Office	1.90%	0	0	0	0	0	0	333	666	999	1,053	1,095
<b>Sub-Total Visitors by Year</b>		<b>1,124</b>	<b>1,160</b>	<b>1,196</b>	<b>1,230</b>	<b>1,263</b>	<b>1,295</b>	<b>1,659</b>	<b>2,130</b>	<b>2,573</b>	<b>2,713</b>	<b>2,821</b>
<b>Estimated Net New Growth over Buildout - Visitors (Annual Average Population)</b>												<b>1,697</b>
<b>Vendors</b>												
Circulation	1.90%	0	0	0	0	0	0	0	0	0	0	0
Media Campus Office	1.90%	41	42	44	45	46	47	49	54	58	61	63
Specialty Space	1.90%	12	12	12	13	13	13	14	15	16	17	18
Stage	1.90%	8	8	9	9	9	9	9	10	11	12	12
Facility Support / Amenities	1.90%	28	29	30	30	31	32	33	36	39	41	43
Utility Support	1.90%	0	0	0	0	0	0	0	0	0	0	0
General Office	1.90%	0	0	0	0	0	0	25	50	75	79	82
<b>Sub-Total Vendors by Year</b>		<b>88</b>	<b>91</b>	<b>94</b>	<b>97</b>	<b>99</b>	<b>102</b>	<b>129</b>	<b>165</b>	<b>199</b>	<b>210</b>	<b>218</b>
<b>Estimated Net New Growth over Buildout - Vendors (Annual Average Population)</b>												<b>129</b>
<b>Total Visitors and Vendors</b>		<b>1,212</b>	<b>1,252</b>	<b>1,290</b>	<b>1,327</b>	<b>1,363</b>	<b>1,397</b>	<b>1,789</b>	<b>2,295</b>	<b>2,771</b>	<b>2,922</b>	<b>3,039</b>
<b>Grand Total - Estimated Net New Growth over Buildout - Visitors and Vendors - ANNUAL AVERAGE Population</b>												<b>1,826</b>

Note: Zero employment growth is assumed between 2015 and 2024 due to lack of physical space capacity.

Source: Fox Studio Historic Preservation & Expansion Draft EIR, City of Los Angeles, (1993); 2015 Employee Mobility Study (2015); Trip Cap Monitoring Data for period from 12/1/2014 through 5/29/2015; Urban Concepts (2023)





Table 5: Estimation of Future Visitors and Vendors from Net New Development – Peak Production Periods

	Peak = 6-Month Average 85th-90th Percentile ADT Counts Estimated Annual Growth	Peak Visitor / Vendor Population										
		Baseline	Projected									
		2024	2025	2026	2027	2028	2029	2030	2035	2040	2045	2050
<b>Visitors</b>												
Circulation	1.90%	0	0	0	0	0	0	0	0	0	0	0
Media Campus Office	1.90%	644	664	685	704	723	742	759	838	901	950	988
Specialty Space	1.90%	294	303	312	321	330	338	347	382	411	434	451
Stage	1.90%	364	376	387	398	409	419	429	474	510	537	559
Facility Support / Amenities	1.90%	0	0	0	0	0	0	0	0	0	1	1
Utility Support	1.90%	0	0	0	0	0	0	0	0	0	0	0
General Office	1.90%	0	0	0	0	0	0	333	666	999	1,053	1,095
Sub-Total Visitors by Year		1,301	1,344	1,385	1,425	1,463	1,500	1,869	2,361	2,821	2,975	3,094
Estimated Net New Growth over Buildout - Visitors (Peak Population)												1,792
<b>Vendors</b>												
Circulation	1.90%	0	0	0	0	0	0	0	0	0	0	0
Media Campus Office	1.90%	48	49	51	52	54	55	56	62	67	70	73
Specialty Space	1.90%	13	14	14	15	15	15	16	17	19	20	21
Stage	1.90%	9	10	10	10	10	11	11	12	13	14	14
Facility Support / Amenities	1.90%	32	33	34	35	36	37	38	42	45	48	49
Utility Support	1.90%	0	0	0	0	0	0	0	0	0	0	0
General Office	1.90%	0	0	0	0	0	0	25	50	75	79	82
Sub-Total Vendors by Year		102	106	109	112	115	118	146	183	218	230	239
Estimated Net New Growth over Buildout - Vendors (Peak Population)												137
Total Visitors and Vendors		1,404	1,450	1,494	1,537	1,578	1,618	2,015	2,544	3,040	3,205	3,333
<b>Grand Total - Estimated Net New Growth over Buildout - Visitors and Vendors - PEAK Population</b>												<b>1,929</b>

Note: Zero employment growth is assumed between 2015 and 2024 due to lack of physical space capacity.

Source: Fox Studio Historic Preservation & Expansion Draft EIR, City of Los Angeles, (1993); 2015 Employee Mobility Study (2015); Trip Cap Monitoring Data for period from 12/1/2014 through 5/29/2015; Urban Concepts (2023)