

Empirical Data and Data Collection

In this research, the dependent variable will be actual sales transaction data over 20 years. Actual market price is the preferred measure of value since it directly reflects individuals' allocations of spending among a range of other alternatives formed by competing home buyers' valuations of the houses in the market (Darling, 1973; Rosen, 1974). The independent variables of this study will be distances between BID and properties. For the distance, two types of measure, Euclidean and route, will be tested and employed. Route distance may be more appropriate for amenities where residents visit and enjoy like recreational parks. On the other hand, Euclidean, a straight line, distance would be more appropriate for amenities that residents enjoy the view and environmental benefits of open spaces passively (Poudyal, Hodges, Tonn, & Cho, 2009)..

In addition to the independent variables, other variables that are closely related to the valuation of a house/property will be included. Among structural characteristics of a single family house, variables such as size of lot, house, backyard, and front yard; numbers of rooms, bathrooms; existence of garages, and swimming pools; age and condition of the house are selected from the previous literatures (Bolitzer & Netusil, 2000; Crompton, 2005; Geoghegan, Lynch, & Bucholtz, 2003; Rosen, 1974). For variables other than housing characteristics, proximity to amenities and disamenities such as parks, schools, central business districts, shopping malls, and major highways will be included (Bastian, McLeod, Germino, Reiners, & Blasko, 2002; Neumann, Boyle, & Bell, 2009; Tapsuwan, Ingram, Burton, & Brennan, 2009).

The datasets will be collected across a variety of sources. The historic house sales transaction and building characteristics data is already in our possession, purchased from DataQuick Information Systems for the City of Los Angeles. Parcel map will be purchased from the Office of the Assessor, County of Los Angeles. All GIS related data will be acquired through Los Angeles County GIS Data Portal¹. Locations of BIDs will be geocoded based on management plans from the BIDs. Total investment and assessment program in the BIDs will be acquired through the consortium and the periodical reports. Lincoln Institute's MSA-level price indexes will be included in the process of hedonic modelling and FiSCs, and the property tax data will be utilized in the analysis of the outcomes.

d) Expected results

The desirability of commercial areas depends on the condition of maintenance, the layout of physical design, and the level of safety. BIDs promote security, beautification, and marketing on the designated commercial district. The residential area nearby will enjoy aforementioned benefits as the district improves and eventually become a desirable amenity. Generally, the distance to BID is expected to have positive association between proximity and property values. The positive association will increase after the adoption of the BID program. Tax revenue

¹ Los Angeles County GIS Data Portal: <http://egis3.lacounty.gov/dataportal/>

accounted by the increase in residential property value may partially be calculated.

In particular, the proposed research is expected to reveal the effectiveness of the investment for each BID, one with small retail and the other with big-box retail. It is expected that the BID on small retail area will have more significant positive impact on nearby residential areas than the one on big-box retails. Big box retails opt for car-driven environment and are often disconnected from the neighboring residential housings by fences, roads, and parking lot. On the other hand, small retail outlets are more pedestrian friendly, design sensitive, and neighborhood oriented. Promoting safety, beautification, and market will draw more people into the retails and improve the perception on the quality of the neighborhood.

This research aims to examine the process of changes in the impact of BIDs on the property values after its designation. How long it takes to alter the residents' perception and preference and be accounted in the market may be revealed. To our knowledge, it would be the first study to examine the impact of proximity to BIDs on residential property values. The results from this research will help planners, residents, and local governments to explore possibilities in developing and expending more innovative models for the BID programs. Based on the results, private and public sectors may work together to improve existing BID programs to advance economic development, improve neighborhood livability, and promote the fiscal health of local government.

e) Description of partnerships

We will collaborate with following individuals (from the academia, governmental agency and the industry respectively) to ensure the high quality of the project deliverables:

- Dr. Rob Ribe, Professor of Landscape Architecture, University of Oregon. Dr. Ribe is an expert of how and why the public comes to value places; he is an expert of the hedonic pricing modeling. He investigates the relationship between the way designers, planners and resource managers understand the content and character of landscape change and the way that people evaluate land use choices. Dr. Ribe will provide advice on the modeling work during the data analysis phase.
- Ms. Miranda Paster, Division Head of Neighborhood and Business Improvement District Division, City of Los Angeles. Since 2005, Ms. Paster has been responsible for coordinating and directing the work of managers and personnel engaged in administering the City of Los Angeles Business Improvement District Program which collects more than \$54 million in assessments for 41 business improvement districts (BIDs). In her career, she has worked with the public, elected officials and their staff, the City Council, and many other civil servants and citizens of Los Angeles. Once the preliminary results are ready, Ms. Paster will provide advice on the results interpretation and policy implication.
- Dr. Ralph McLaughlin, Housing Economist at Zillow Group. Dr. McLaughlin conducts research on housing market trends for the Trulia brand. He has more than a dozen