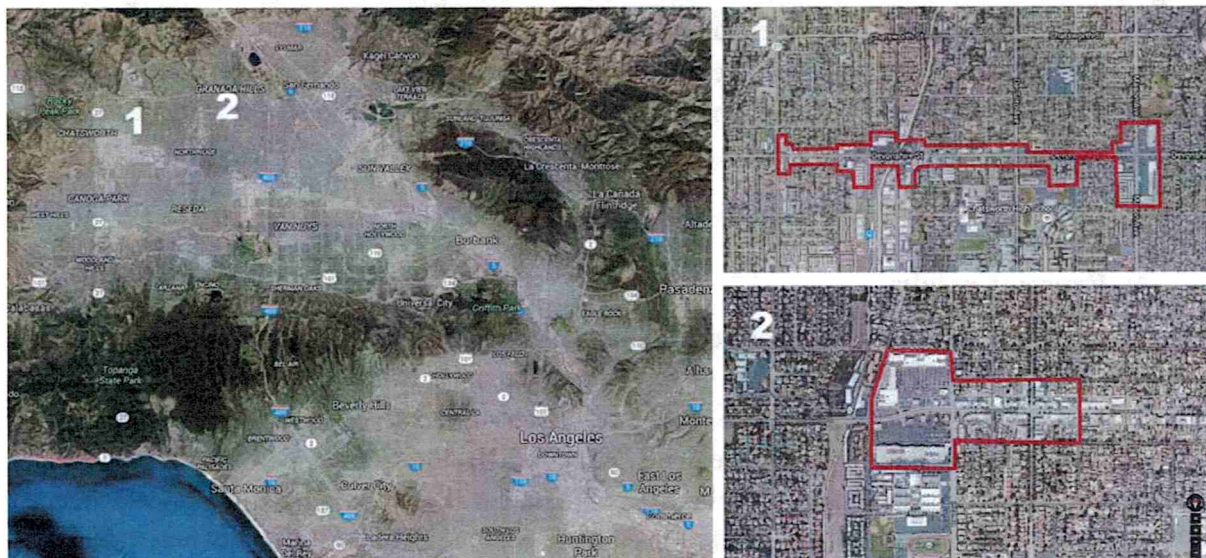


(i.e. fixed-effects and spatial regression models) in order to obtain unbiased estimates of model coefficients. The results of Moran's I, and LM and LR tests of the spatial lag model and the spatial error model will determine the type of spatial econometric model to be employed (Anselin, Bera, Florax, & Yoon, 1996; Elhorst, 2014).

### ***Study Area***

The selected study sites are Old Granada BID and Chatsworth BID, both established in 1999, in the City of Los Angeles, California. Old Granada BID consists of big box retailers and Chatsworth BID consists of small neighborhood retail stores. The choice of these areas is driven by a number of factors, both theoretical and practical. First, a key aim was to find a neighborhood with BID that is mainly surrounded by residential areas. Residential dominant area is desirable in order to control for externalities in the hedonic modeling. The sites selected contain BIDs and residential area without much of urban activities or other land uses around. The site is well-defined neighborhoods sharing the characteristics of a long history of being a residential dominant area for LA metropolitan area. Relatively homogenous and compact study area satisfies the requirements of hedonic pricing theory. Second, we identified BIDs that have been formed in 90s and continued their service until present in a similar neighborhood condition. As it has been revealed in the dissertation, it took 10 to 12 years for a planning decision regarding the establishment of a nature preserve to fully reign its impact on single family residential areas (Noh, 2015). Securing more than 10 years after the adoption of BID in the study period was essential in order to produce more meaningful outcomes from the analysis.

The boundary of study area will be determined by several factors. The boundary will be within 1 mile radius and close enough in so that the BID is the closest shopping area. It will also exclude infrastructural or geographic barriers such as major highways and rivers.



**Figure 1 Study Sites (1.Chatsworth BID, 2.Old Granada BID in the City of Los Angeles, CA)**