

Harvard University
Graduate School of Design

SES-5510
Local Economic Development: Turning Theory into Practice

Fall 2024

Meeting time: Thursdays 9:00–11:45am

Location: 318 Gund

Faculty: Dr. Rachel Meltzer, rmeltzer@gsd.harvard.edu

Teaching Assistant: Avny Lavasa, avnylavasa@gsd.harvard.edu

Office hours for Prof. Meltzer: Tues. 3:30-5:30pm + and by appointment, please email me ahead of time for both options.

This syllabus is subject to change based on the needs and circumstances of the class.

Overview of the Course

Cities are complex hubs of economic and social activity, conducive to efficient means of production. They also present challenging circumstances of inequity, segregation and political power struggles. In this class we begin with a formal introduction to the economics and fiscal operations of cities and the theoretical foundations for urban development. We explore approaches to local economic development, such as people- versus place-based strategies, and grapple with their implications for economic wellbeing and equity. We consider local economic development holistically, drawing on insights from local public finance, land use, housing, workforce and small-business development, urban politics and urban planning. The class provides students with a survey of the classic and contemporary literature and casework on local economic development policies, as well as technical knowledge to design actual development plans. Content will be drawn from actual cases of urban economic development scenarios, presentations from practitioners, and local field trips.

The goals of this course are threefold. First, the material is intended to provide you with a survey of the seminal scholarly literature on local economic development. You should leave this course familiar with a comprehensive body of work that you can critically discuss and apply. Second, you will be introduced to a set of analytical and planning skills that can be transferred across policy and institutional settings. It is not possible to develop deep expertise in these skills over the course of this class, but you will build the foundation of an analytical toolbox that can be enhanced in your future studies or professional endeavors. Third, you will learn about a range of policy cases and urban development scenarios that you can ideally use as examples and touchstones in your development and planning work moving forward.

Learning objectives

Upon successful completion of the course, students will be able to:

- Use local economic development frameworks and theories to understand and motivate planning, policy and design interventions;
- Recognize and apply a range of metrics to describe and analyze local economic conditions and outcomes within and across cities;
- Weigh the trade-offs and complementarities between growth-oriented and inclusive development approaches;
- Assess the economic conditions of places and develop a strategy for economic development that addresses targeted threats and assets;
- Understand and leverage the economic interconnections across neighborhood, municipal, regional and national contexts;
- Integrate evidence-based local economic development strategies with local political and fiscal systems.

How the Course Will Run

This class will be conducted as a seminar. This means we are all expected to come to class prepared to *actively* participate in the discussions. This means you have (i) carefully read the assigned readings for each class session and (ii) reflected on and made a first pass at critiquing the material. Most classes will involve a case relevant to the topic for that session. We will use the second half of the class meeting to discuss the case in break-out groups, guided by questions that I post on Canvas. *Class participation is crucial to the success of this class; please come prepared to engage in a meaningful dialogue every week.*

In addition to class participation, grades for the course will be based on three assignments. *More detail will be provided in the individual assignment materials posted on Canvas.* Due dates for the assignments are listed in the accompanying detailed Course Schedule posted on Canvas. First, there will be a short exercise to test your mastery of **analysis techniques and metrics** that we will review during class time.

Second, you are expected to **visit and observe a public hearing** related to local economic development issues, of some sort. Examples include attending a community board meeting when they are discussing the approval of a development project in the neighborhood or a meeting of the City Council committee on economic development (websites for identifying hearings and meetings will be posted on Canvas). The goal of this exercise is to witness, firsthand, the public approval process often required of economic development projects. After attending one of these meetings (you are of course welcome to attend more than one!), you will be required to write up a two-page (1.5 spacing) analysis of the experience, drawing from the material we cover in class and in the readings. You can complete this at any point during the semester, but it must be submitted by the final class meeting. There will also be opportunities to share your reflections during class time.

Third you will complete a **local economic development strategy** for a neighborhood of your choosing (15 pages maximum, 1.5 spacing). The site can be located inside or outside of the Boston/Cambridge

area, but you should be able to visit the site in person at some point during the semester. The geographic scope is intended to be small and manageable for this short-term exercise, i.e. not citywide. You are expected to use the frameworks and theories introduced in the course to motivate and justify a holistic economic development strategy for a geographically prescribed area. You will work on this project over the course of the semester, progressively completing milestones towards its completion (dates for these milestones will be provided in the detailed Course Schedule and assignment materials posted separately on Canvas). The first part of the assignment is to assess the assets and weaknesses of the site and consider the threats and opportunities for development. This analysis will be due mid-semester, and you will receive feedback from me on how to move forward with the rest of the analysis and strategy development. The document should not only lay out plans for particular policy interventions, but also guidelines on the processes to achieve them. It should also indicate clearly the intended audience; ED strategies are typically aimed at municipal governments, but you can also target a smaller institution, like a local community group. Regardless, the recipient of the strategy should be in a position to act on it. Second, you will be required to prepare a slide deck (or poster, depending on the size of the class) presenting your final analysis and strategy concisely; be prepared to share this with the class during our final session. Third, you will submit the final report, which will contain both your analysis and a set of recommended economic development strategies. The final version of your paper will be due about a week after the final class session so you can incorporate feedback from your presentations. I will be looking for clear, professional writing that actively engages with and applies the material critically and practically.

Texts and readings

The required textbook is available in paperback and can be purchased online. A copy will be placed on reserve at Loeb Library and assigned chapters will be made available as PDFs via library links on Canvas. Older editions are fine to use, but the onus is on the student to reconcile any differences between the assigned chapters and those in the older editions. Any additional readings will be listed in the syllabus for each class meeting and available on Canvas.

Always read, if assigned, the chapters in the textbook before diving into the articles. Readings are expected to be completed for the class under which they are listed.

I may reference optional readings in my lectures, but you will not be explicitly tested or graded on the content beyond what I present in class. Consider the readings in the syllabus as a comprehensive reference for you, in this class and through the rest of your studies (and career!).

Required text:

Leigh, Nancey Green and Edward J. Blakely, *Planning Local Economic Development: Theory and Practice*, Sage, 2017. Sixth Edition.

Method of evaluation and requirements

Grading

To get the most out of this course, you will need to actively engage with the assigned readings, the regular exercises and class discussions. I am happy to work out reasonable arrangements for deadline adjustments with at least 2 weeks' notice; I understand unforeseen circumstances sometimes arise and those will be addressed on a case-by-case basis. Missed deadlines or assignments without any notice or accommodation will result in grade penalties.

All assignments will be submitted via Canvas and all grades and feedback will be sent back to you via Canvas.

Assignment/deliverable	Percentage of final grade
LED Metric Exercises	10 %
Public Meeting Reflection Memo	20 %
Local Economic Development Strategy	60 %
Mid-term schema and plan	15 %
Class presentation and slide deck	15 %
Final report	30 %
Discussion questions & class participation	10 %
Total	100 %

Your performance in this class will be graded following the GSD's established rubric. Please refer to information from the [registrar](#) for more details on the grading scale and qualifications.

The grade of "Pass" is the standard mark for recognizing satisfactory work and most students in any class receive a pass—around 80%. "Distinction" and "High Pass" are reserved for work of clearly exceptional merit. "Low Pass" indicates a performance that, although deficient in some respects, meets minimal course standards.

To make it easier for students to track their progress I will assign numerical grades to assignments that can then be converted to the GSD rubric. The specific conversion will depend on the distribution of scores particular to this class, but will generally follow this rubric (the exact cut-offs are subject to change):

- High pass 92%+
- Pass 75%+
- Low pass 60%+

Academic Integrity and Conduct

While group collaboration and peer-to-peer support are welcome in this class, you are expected to submit your own final work products. All of the assignments (with the exception of the local economic development strategy, to some degree) can be completed using only the readings and resources assigned

in the class; however, you are welcome to use outside sources (but will not be penalized for not doing so). Anything submitted must be your original content, produced individually *without the aid of AI/ChatGPT tools* unless those are explicitly permitted in the assignment itself. In all cases, please cite your sources; I do not have a preference about the citation format, but please just be consistent. Plagiarism will not be tolerated, and I will not accept papers completed for other courses. Please also review the [GSD's Academic Conduct Policy](#).

The work you submitted is expected to be of professional quality. Please leave enough time for thorough proofreading (both in terms of content and writing style/grammar). In my feedback I will not be able to do any copyediting on writing style/grammar, and you will be penalized for work that includes excessive writing mistakes and a general lack of clarity in presentation.

Attendance, etiquette, and recordings

Unless otherwise notified, your attendance is expected for every class session. I understand that conflicts can come up unexpectedly, but please communicate as soon as you know whether it will be difficult for you to participate in any class meeting. The lectures will not be regularly recorded.

The success of the class discussions depends on respectful exchanges. When you participate in class discussions (either orally or in writing) please be mindful of others' perspectives and experiences, which may differ from your own. Indeed, diversity of ideas and experiences is something we can all benefit and learn from. I look forward to robust debates that can involve a range of ideas, but I expect those ideas to be shared in a discerning way.

If/when we do meet online, those sessions will be recorded and posted on Canvas (conditional on the approval of any guest speakers). Any Miro boards will also be saved and made available for the entirety of the semester. You are reminded to *not* make your own recordings of the Zoom sessions as you need all of the participants' consent to do so.

Accommodations for Students with Disabilities

Students needing academic adjustments or accommodations because of a documented disability must present their Faculty Letter from the Accessible Education Office (AEO) and speak with me by the end of the second week of the class. All discussions will remain confidential, although faculty members are invited to contact AEO to discuss appropriate implementation.

Student Services, Resources, and Wellbeing

Your personal well-being is paramount. Please pay attention to your physical and mental health and make yourself familiar with the resources available to you through the [GSD's Office of Student Services](#). I encourage you to reach out to Student Services if you are experiencing personal challenges or hardship, and rest assured that I will work with you to make accommodations for your course requirements.

Weekly schedule and topics

PART I: FOUNDATIONAL FRAMEWORKS FOR UNDERSTANDING CITIES

Session 1: Urban Economic Development introduced.

Leigh and Blakely, Chptrs. 1, 3

- Barber, Benjamin. 2013 "If Mayors Ruled the World: Why They Should and How They Already Do," in *If Mayors Ruled the World: Dysfunctional Nations, Rising Cities*, Yale University Press.
- Harvey, David. 2003. "The Right to the City," *International Journal of Urban and Regional Research*, 27(4).
- Logan, John R., and Harvey L. Molotch. 2013. "The city as a growth machine." *The Gentrification Debates*. Routledge: 87-102.
- Wolf-Powers, Laura. 2019. "Reclaim Value Capture for Equitable Urban Development." *Metropolitics*.

Optional

- Liu, Amy. 2016. "Remaking economic development: The markets and civics of continuous growth and prosperity." *The Brookings Institution*.
- Malizia, Emil E. 1994. "A redefinition of economic development." *Economic Development Review* 12(2).
- Weber, Rachel. 2002. "Extracting Value from the City: Neoliberalism and Urban Development," *Antipode*, 34(3).

Session 2: Financing local governments and economic development metrics.

Leigh and Blakely, Chptr. 2

Local Public Finance

- Fisher, Ronald C. 2015. *State and Local Public Finance*, Chptr. 1. Chicago: Irwin.
- Seidman, Karl. 2005. *Economic Development Finance*, Chptr. 15. Sage Publications.
- Eisinger, Peter. 2002. "Financing Economic Development: A Survey of Techniques," *Government Finance Review*, 18(3).
- Brosy, Thomas, et al. 2024. "The Future of Commercial Real Estate and City Budgets." *Tax Policy Center*.

[Listen to SFNext: Fixing our City Podcast on Doom Loop/Commercial Properties Vacancies](#)

Metrics

Upjohn Institute Inclusive Development [Metric Tool](#)

"Redefining Economic Development Performance Indicators for a Field in Transition." 2017. *Center for*

Regional Economic Competitiveness.

Lester, Thomas W., Nikhil Kaza, and Sarah Kirk. 2013. "Making room for manufacturing: Understanding industrial land conversion in cities." *Journal of the American Planning Association* 79(4): 295-313.

Optional

Malpezzi, Stephen. 2013. "Local Economic Development and Its Finance: An Introduction," In *Financing Economic Development in the 21st Century*, Eds. Sammis B. White, Richard D. Bingham and Edward W. Hill. Armonk, NY: M.E. Sharpe.

Heilbrun, James. 1997. "Who Bears the Burden of the Property Tax," In Dick Netzer and Matthew P. Drennan (Eds.) *Readings in State and Local Public Finance*. Cambridge: Blackwell Publishers.

Blöchliger, Hansjörg, Christian Hilber, Olivier Schöni, and Maximilian von Ehrlich. 2017. "Local taxation, land use regulation, and land use." OECD Economics working paper.

Theodos, Brett, et al. 2024. "Catalytic Capital for Neighborhood Reinvestment." *Urban Institute*.

Courant, Paul N. 1994. "How Would You Know a Good Economic Development Policy if You Tripped Over One? Hint: Don't Just Count Jobs," *National Tax Journal*, 47(4). (C)

Session 3: Regional and spatial issues and globalization.

Beall, Jo. 2002. "Globalization and Social Exclusion in Cities: Framing the Debate with Lessons from Africa and Asia," *Environment and Urbanization*, 14(1).

Schragger, Richard. 2016. "Introduction: Cities, Capital, and Constitutions." In *City Power: Urban Governance in a Global Age*. Oxford University Press.

Wiewel, Wim, Michael Teitz, and Robert Giloth. 1993. "The economic development of neighborhoods and localities." *Theories of local economic development: Perspectives from across the disciplines*.

Ingram, Gregory K. 2014. "Defining Metropolitan and Megapolitan Areas." *Lincoln Institute of Land Policy*.

Read and prepare this CASE:

"A Green Business Initiative: How Cities Take Full Advantage of the Energy Transition". Nowak Lab, Drexel University.

Optional

Ihlandfelt, Keith R. 1995. "The Importance of the Central City to the Regional and National Economy: A Review of the Arguments and Empirical Evidence," *Cityscape*, 1(2).

Tiebout, Charles M. "A pure theory of local expenditures." *The Journal of Political Economy*, 64(5), 416-424.

Clark, Greg and Tim Moonen. 2013. "The Ten Traits of Globally Fluent Metro Areas." *Brookings*.

Goetz, Edward G. and Terrence Kayser. 1993. "Competition and Cooperation in Economic Development: A Study of the Twin Cities Metropolitan Area," *Economic Development Quarterly*, 7(1).

PART II: PLACE-BASED STRATEGIES

Overview readings

- Crane, Randall and Michael Manville. 2008. "People or Place? Revisiting the Who Versus the Where of Urban Development." *Land Lines*, 20(3).
- Bartik, Timothy. 2024. "How State Governments Can Target Job Opportunities to Distressed Areas: Rethinking Michigan's Economic Development Policies." Presentation.

Session 4: Land use and geographically targeted strategies.

- Meltzer, Rachel. 2018. "Zoning Dollars and Change: Local Economic Development Zones." In Baird-Zars et al. (Eds.) *Zoning: A Guide for 21st Century Planning*. Routledge.
- Schuetz, Jenny, Rachel Meltzer and Vicki Been. 2009. "31 Flavors of Inclusionary Zoning: Comparing policies from San Francisco, Washington, D.C. and Suburban Boston," *Journal of the American Planning Association*, 75(4).
- Germán, Lourdes. 2020. "Land value return: Tools to finance our urban future." *Lincoln Institute of Land Policy*.
- Trueblood, Andrew. 2024. "To Save Downtowns, Cities Need to Do More Than Turn Offices into Housing." *Urban Institute*.

Read and prepare this CASE (based on articles below):

Enterprise/Empowerment Zones

- Kasinitz, Philip and Jan Rosenberg. 1993. "Why Enterprise Zones Will Not Work: Lessons from a Brooklyn Neighborhood," *City Journal*, 3(4).
- Peters, Alan H., and Peter S. Fisher. 2002. "Introduction" in *State enterprise zone programs: Have they worked?* WE Upjohn Institute
- Swinney, Paul. 2019. "In the zone? Have enterprise zones delivered the jobs they promised." *Centre for Cities*.
- Theodos, Brett, et al. 2023. "What We Do and Don't Know about Opportunity Zones". *Urban Institute*.

Optional

- Katz, Bruce and Julie Wagner. 2014. "The Rise of Innovation Districts: A New Geography of Innovation in America." *Brookings*.
- Ellen, Ingrid Gould, Amy Ellen Schwartz, and Ioan Voicu. 2007. "The Impact of Business Improvement Districts on Property Values: Evidence from New York City," *Brookings-Wharton Papers on Urban Affairs*, 1-39. (C)
- Smolka, Martim O. 2013. *Implementing Value Capture in Latin America: Policies and Tools for Urban Development*. Cambridge, MA: Lincoln Institute of Land Policy.
- Weber, R. (2013). Tax increment financing in theory and practice." In S.B. White and Z.Z. Kotval, (Eds.). *Financing Economic Development in the 21st Century*. M.E. Sharpe. (C)

Session 5: NO CLASS

Session 6: Large-scale developments.

Masciotra, David. 2013. "Sports Teams Really Can Save a City," *The Atlantic Cities*.

Capps, Kriston. 2024. "Virginia Pitches Unprecedented Arena Financing Source: Personal Income Taxes." *CityLab*.

Hitchcock, Ben. 2024. "Willetts Point and the Making of a Neighborhood." *Vital City*.

Birch, Eugenie L. 2013. "Anchor Institutions in the Northeast Megaregion: An Important but Not Fully Realized Resource." *Revitalizing American Cities*: 207-23.

Read and prepare this CASE (based on two articles with competing views):

Gravenor, Kristian. 2024. "Hospitals Don't Always Cure What Ails a Neighborhood, as One City Learned." *CoStar News*.

Harris, Latasha and Vonesha Mitchell. 2021. "How a Memphis medical district is connecting residents to living-wage jobs." *Brookings*.

Optional

Zimmerman, Dennis. 1997. "Subsidizing Stadiums: Who Benefits? Who Pays?," In *Sports, Jobs and Taxes: The Economic Impact of Sports Teams and Stadiums*, Eds. Roger G. Noll and Andrew Zimbalist. Washington, D.C.: Brookings Institution Press.

Fainstein, Susan S. 2009. "Mega-projects in New York, London and Amsterdam." *International Journal of Urban and Regional Research*, 32(4).

Schwartz, Amy Ellen, Ingrid Gould Ellen, Ioan Voicu and Michael Schill. 2006. "The External Effects of Place-based Subsidized Housing," *Regional Science and Urban Economics*, 36(6), 679-707.

PART III: "PEOPLE-BASED" (MOBILE) STRATEGIES

Session 7: Business-oriented strategies.

GUEST SPEAKER: Lyneir Richardson, CEO and Co-Founder of Chicago TREND, Assistant Professor of Professional Practice and Executive Director of The Center for Urban Entrepreneurship and Economic Development (CUEED) at Rutgers University

Leigh and Blakely, Chptr. 9.

Bartik, Timothy J. 2024. "What standards make sense for economic development tax incentives?" *W.E. Upjohn Institute*.

Porter, Michael. 1995. "The Competitive Advantage of the Inner City," *Harvard Business Review*, May-June, 55-71. (C)

Harrison, Bennett, and Amy Glasmier. 1997. "Why Business Alone Won't Redevelop the Inner

City." *Economic Development Quarterly*, 11. (C)
Austin, John C. 2022. "Microbusinesses boomed during the pandemic. Now, local leaders need to support them." *Brookings*.

Optional

Theodos, Brett et al. 2024. "Federal Small Business Supports: A Review of Federal Programs and Policy." *Urban Institute*.

Kenyon, Daphne A., Adam H. Langley and Bethany P. Paquin. 2012. *Rethinking Property Tax Incentives for Business*. Cambridge, MA: Lincoln Institute of Land Policy.

Servon, Lisa J., Robert W. Fairlie, Blaise Rastello, and Amber Seely. 2010. "The Five Gaps Facing Small and Microbusiness Owners: Evidence from New York City." *Economic Development Quarterly*, 24(2).

Session 8: FIELD TRIP TBD

Session 9: Designing an UED strategy

Leigh and Blakely, Chptrs. 5-7, 12

Kwon, Haegi. 2024. "Moving Beyond Conventional Economic Development Practice: An Asset-Based Framework for Sustainable Communities." *Lincoln Institute of Land Policy*.

Useful Resources:

[*Asset-Based Community Mapping*](#)

[*SWOT Analysis*](#)

Optional

Meltzer, Rachel. 2012. "Designing and Implementing an Urban Economic Development Strategy: A Guide for Cities." Prepared for UN Habitat.

Reese, Laura A. and David Fasenfest. 1997. "What Works Best? Values and the Evaluation of Local Economic Development Policy." *Economic Development Quarterly*, 11(3), 195-207.

Session 10: Workforce development strategies.

GUEST SPEAKER: *Cait Garozzo, Executive Director, West Philadelphia Skills Initiative*

Leigh and Blakely, Chptr. 10.

Misra, Tanvi. 2019. "A Bottom-Line Case for the Green New Deal: The Jobs Pay More." *CityLab*.

Florida, Richard. 2003. "Cities and the creative class." *City & Community* 2(1): 3-19.

Read and prepare this CASE:

“West Philadelphia Skills Initiative: A Model for Urban Workforce Development.” Nowak Lab, Drexel University.

Optional

Meltzer, Rachel, and Pooya Ghorbani. 2017. "Does Gentrification Increase Employment Opportunities in Low-income Neighborhoods?" *Regional Science and Urban Economics*, 66: 52-73.
Edelman, Peter B., and Harry J. Holzer. 2013. "Connecting the Disconnected: Improving Education and Employment Outcomes Among Disadvantaged Youth. IZA Policy Paper No. 56.
Osterman, Paul. 2006. "Improving Job Quality: Policies Aimed at the Demand Side of the Labor Market." *A Future of Good Jobs*.

PART IV: SYSTEMS-BASED STRATEGIES

Session 11: Transit-oriented strategies.

Jaffe, Eric. 2013. “Public Transit Is Worth Way More to a City Than You Might Think,” *The Atlantic Cities*.
Rogers, Adam. 2024. “Bike Lanes are Good for Business.” *Business Insider*.
Young, Elise et al. 2021. “Working From Home for Some Threatens Mass Transit for All.” *CityLab*.
Shermansong, Alexander et al. 2022. “The Pink Tax on Mobility: Opportunities for Innovation.” *Rudin Center for Transportation*.

Listen to Next City Transit Wallet podcast: [What if Your City Gave You Money for Transit?](#)

Optional

Small, Kenneth A. 2009. “Urban Transportation Policy,” In *Making Cities Work: Prospects and Policies for Urban America*, ed. Robert P. Inman. Princeton: Princeton University Press.
Schuetz, Jenny. 2015. "Do Rail Transit Stations Encourage Neighbourhood Retail Activity?" *Urban Studies*, 52(14).

Session 12: Crime and safety.

Jacobs, Jane. 1989. *The Death and Life of Great American Cities*, Chptr. 2. New York: Vintage Books.
MacDonald, John M., and Robert J. Stokes. 2020. "Gentrification, land use, and crime." *Annual Review of Criminology* 3(1): 121-138.
Sharkey, Patrick, Gerard Torrats-Espinosa, and Delaram Takyar. 2017. "Community and the Crime Decline: The Causal Effect of Local Nonprofits on Violent Crime." *American Sociological Review*, 82(6).

Watch PBS Newshour: [As retailers close stores due to shoplifting, are the concerns real or overblown?](#)

Optional

Lens, Michael C., and Rachel Meltzer. 2016. "Is Crime Bad for Business? Crime and Commercial Property Values in New York City." *Journal of Regional Science* 56(3).

Hoyt, Lorlene M. 2005. "Do Business Improvement District Organizations Make a Difference? Crime in and Around Commercial Areas in Philadelphia," *Journal of Planning Education and Research*, 25(2).

Furman Center for Real Estate and Urban Policy. 2013. *Do Foreclosures Cause Crime?* Policy Brief.

Cook, Philip J. 2009. "Crime: Crime in the City," In *Making Cities Work: Prospects and Policies for Urban America*, ed. Robert P. Inman. Princeton: Princeton University Press.

Session 13: NO CLASS

Session 14: Final reflections and sharing final papers.

*****FINAL PAPER DUE BY MIDNIGHT ON MONDAY DECEMBER 16TH*****