

THE NEW SCHOOL
Milano School of International Affairs, Management, and Urban Policy

Urban Economic Development

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Office Hours: Tuesdays 1:00-3:00 PM

Spring 2014
Mondays 4:00-5:50 PM

Course Description

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 controversy. In this class (herein referred to as UED) 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 urban economic development, such as people- versus place-based strategies, and grapple with their implications for economic wellbeing and equity. The lens for the class is multi-disciplinary, 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 and administer actual projects and programs. Content will be drawn from actual cases of urban economic development scenarios (both domestically and globally), presentations from practitioners, and local field trips.

The goal of this course is 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 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 scenarios that you can ideally use as examples and touchstones in your development work moving forward.

Course Requirements

UED will be conducted as a seminar. I, as the instructor, will come prepared to critically introduce the main themes and organize and guide the conversations so that we thoroughly (and strategically) engage with the material. You, as the student, are expected to come to class prepared to *actively* participate in the discussions. This means you (i) have carefully read the assigned readings for each class session and (ii) have reflected on and made a first pass at critiquing the material. *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 two deliverables and one midterm exam. For the first deliverable, I ask you to visit 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. The goal of this exercise is to witness, first hand, 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 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.

The second deliverable is a local economic development strategy for a neighborhood of your choosing (15 pages maximum). The site can be located inside or outside of New York City, but the geographic scope is intended to be small, i.e. a single city block could suffice. The assignment is to use the frameworks and theories introduced in the course to motivate and justify a holistic economic development strategy for a geographically prescribed area. The document should not only lay out plans for particular policy interventions, but also guidelines on the processes to achieve them. You will be required to meet with me two times: first, to consult on your chosen case and, second, to show me your paper outline. You are of course encouraged and welcome to meet with me in addition to these instances. I will not, however, read drafts of the papers. The final version of your paper will be due on the last day of class. I will be looking for good, professional writing that actively engages with and applies the material critically and practically.

The midterm will be a take-home written exam and more information about it will be provided during class.

Grading

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|---|-----|
| Public hearing analysis and class participation | 20% |
| Midterm Exam | 35% |
| Final paper | 45% |

Books and Readings

All books are available in paperback and can be purchased online (the required books are also available for purchase at Barnes and Noble on 5th Avenue and 18th Street):

Required:

Leigh, Nancey Green and Edward J. Blakely, *Planning Local Economic Development: Theory and Practice*, Sage, 2013.

Recommended:

Greenwood, Daphne T. and Richard P.F. Holt, *Local Economic Development in the 21st Century*, M.E. Sharpe, 2010.

Blair, John P. and Michael C. Carroll, *Local Economic Development: Analysis, Practices, and Globalization*, Sage, 2009.

You are also required to purchase four case studies published by the Harvard Business School (HBS). These materials can be purchased and downloaded on-line. To do so, navigate to the following link:

<https://cb.hbsp.harvard.edu/cbmp/access/24018805>

You will be asked to register with the Harvard Business Publishing Education site before you can purchase and download the case studies. Any additional readings will be listed in the syllabus for each class meeting and available on Canvas.

Note on Plagiarism and Academic Integrity

You are responsible for learning and understanding the rules on plagiarism and academic integrity. Breaking these rules is a serious offense with serious consequences. The rules are clearly spelled out on the Provost's website: <http://www.newschool.edu/leadership/provost/policies/academic-honesty/>.

Evidence of plagiarism will result in an automatic F in this class and repercussions at the University level. If you have any questions about whether it is necessary in a particular case to reference the words or thoughts of others, be conservative: use quotation marks with proper attribution.

Conduct

This is a professional school. As such, you are expected to conduct yourselves in a professional manner. Please respect the following policies:

- **Mobile devices:** You must silence all mobile devices before coming to class. If you are experiencing an emergency, and need to be reachable, please let me know before class and set your phone to silent.
- **Attendance and lateness:** Class will begin and end promptly. If you are going to miss a class, or are going to be late or need to leave early, please let me know ahead of time. Students who come in late and leave early disrupt the class and miss important information. If chronic lateness is an issue, it will be reflected poorly in your final grade.
- **Email:** Your New School email address will operate as your point of contact for this course, so please make sure you check this account regularly. I will conduct all communication through the New School email.

Class Schedule and Readings

Asterisked readings are recommended. "C" denotes that the reading is available on Canvas.

PART I: FOUNDATIONAL FRAMEWORKS FOR UNDERSTANDING CITIES

Session 1 (1/27): Urban Economic Development introduced.

Leigh and Blakely, Chptrs. 1, 2, 3

Blair and Carroll, Chptrs. 1, 7. (C)

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. (C)

Harvey, David. 2003. "The Right to the City," *International Journal of Urban and Regional Research*, 27(4), 939-41. (C)

**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), 863-881. (C)

**Jetter, Michael and Christopher F. Parmeter. 2013 *Does Urbanization Mean Bigger Governments?* CIEF working paper. (C)

Session 2 (2/3): Urban economics broadly.

O'Sullivan, Arthur. 2004. *Urban Economics*, Chptrs. 1-6. Boston: McGraw Hill. (C)

Glaeser, Edward. 2011. *Triumph of the City*, Chptr. 3. New York: Penguin Books. (C)

Florida, Richard. 2013 "The Most Famous Models for How Cities Grow Are Wrong," *The Atlantic Cities*, August 9. (C)

**Boustan, Leah Platt, Devin Bunten, and Owen Hearey. 2013. "Urbanization in the United States, 1800-2000," NBER working paper #19041. (C)

**Quigley, John M. 1998. "Urban Diversity and Economic Growth," *The Journal of Economic Perspectives*, 12(2), 127-138. (C)

Session 3 (2/10): Financing local governments.

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. (C)

Fisher, Ronald C. 1996. *State and Local Public Finance*, Chptr. 1. Chicago: Irwin. (C)

Inman, Robert P. 2009. "Finances: Financing City Services," In *Making Cities Work: Prospects and Policies for Urban America*, ed. Robert P. Inman. Princeton: Princeton University Press. (C)

Schwartz, Amy Ellen. 2001. "Tax and the City," In *Rethinking the Urban Agenda*, eds. John Mollenkopf and Ken Emerson. New York: Century Foundation Press. (C)

- **Bergstrom, Theodore C. and Robert P. Goodman. 1973. "Private Demand for Public Goods," *The American Economic Review*, 63(3), 280-296. (C)
- **Eisinger, Peter. 2002. "Financing Economic Development: A Survey of Techniques," *Government Finance Review*, 18(3): 20-23. (C)
- **Heilbrun, James. 1997. "Who Bear the Burden of the Property Tax," In *Readings in State and Local Public Finance*, eds. Dick Netzer and Matthew P. Drennan. Cambridge: Blackwell Publishers. (C)

Session 4 (2/17): NO CLASS—PRESIDENTS DAY.

PART II: PLACE-BASED STRATEGIES

Session 5 (2/24): The neighborhood as a point of entry.

Leigh and Blakely, Chptr. 8.

Downs, Anthony. 1981. *Neighborhoods and Urban Development*, Chptrs. 6 and 12. Washington D.C.: The Brookings Institution. (C)

Wiewel, Wim, Bridget Brown and Marya Morris. 1989. "The Linkage Between Regional and Neighborhood Development," *Economic Development Quarterly*, 3(2), 94-110. (C)

Meltzer, Rachel and Jenny Schuetz. 2012. "Bodegas or Bagel Shops? Neighborhood Differences in Retail and Household Services," *Economic Development Quarterly*, 26(1), 73-94. (C)

Doling, John, Paul Vandenberg and Jade Tolentino. 2013. *Housing and Housing Finance—A Review of the Links to Economic Development and Poverty Reduction*, ADB economic working paper #362. (C)

Walker, Chris, Chris Hayes, George Galster, Patrick Boxall, and Jennifer Johnson. 2002. *The Impact of CDBG Spending on Urban Neighborhoods*. Washington D.C.: The Urban Institute. (C)

**Blair and Carroll, Chptr. 10. (C)

**Ellen, Ingrid Gould and Margery Austin Turner. 1997. "Does Neighborhood Matter? Assessing Recent Evidence," *Housing Policy Debate*, 8(4), 833-866. (C)

**Gyourko, Joseph. 2009. "Housing: Urban Housing Markets," In *Making Cities Work: Prospects and Policies for Urban America*, ed. Robert P. Inman. Princeton: Princeton University Press. (C)

**Murnane, Richard J. 2009. "Education: Educating Urban Children," In *Making Cities Work: Prospects and Policies for Urban America*, ed. Robert P. Inman. Princeton: Princeton University Press. (C)

**Nowak, Jeremy. 1997. "Neighborhood Initiative and the Regional Economy," *Economic Development Quarterly*, 11(1), 3-10. (C)

**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. (C)

**Weber, Rachel. 2002. "Extracting Value from the City: Neoliberalism and Urban Development," *Antipode*, 34(3), 519-540. (C)

Session 6 (3/3): Infrastructure and large-scale developments.

Gómez-Ibáñez, José A. and Nguyen Xuan Thanh. 2010. "Ho Chi Minh City," Kennedy School of Government Case Program, CR-1909.0. (Purchase from HBS)

Jaffe, Eric. 2013. "Public Transit Is Worth Way More to a City Than You Might Think," *The Atlantic Cities*. (C)

Chatman, Daniel G. and Robert B. Noland. 2012. "Transit Service, Physical Agglomeration, and Productivity in US Metropolitan Areas," paper presented the 2013 Annual Meeting of the Transportation Research Board. (C)

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

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. (C)

**Parrott, James A. 2005. "Hudson Yards Tax Breaks, Unwarranted and Fiscally Irresponsible," working paper, Fiscal Policy Institute. (C)

**Hoyt, David. 2008. "San Diego Padres: PETCO Park as a Catalyst of Urban Redevelopment," Stanford University Graduate School of Business case, #SPM-37. (C)

**McFarlane, Colin. 2008. "Governing the Contaminated City: Infrastructure and Sanitation in Colonial and Postcolonial Bombay," *International Journal of Urban and Regional Research*, 32(2), 415-435. (C)

**Ellen, Ingrid Gould and Amy Ellen Schwartz. 2000. "No Easy Answers," *Brookings Review*, 18(3), 44-48. (C)

Session 7 (3/10): Land use and geographically targeted strategies.

Blair and Carroll, Chptr. 9 (C)

Kasinitz, Philip and Jan Rosenberg. 1993. "Why Enterprise Zones Will Not Work: Lessons from a Brooklyn Neighborhood," *City Journal*, 3(4), 63-69. (C)

Neumark, David and Jed Kolko. 2010. "Do Enterprise Zones Create Jobs? Evidence from California's Enterprise Zone Program," *Journal of Urban Economics*, 68(1), 1-19.

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), 441-456. (C)

Smolka, Martim O. 2013. *Implementing Value Capture in Latin America: Policies and Tools for Urban Development*. Cambridge, MA: Lincoln Institute of Land Policy. (C)

**Mayer, Thierry, Florian Mayneris and Loriane Py. 2013. "The Impact of Urban Enterprise Zones on Establishment Location Decisions: Evidence from French ZFUs," Banque de France working paper. (C)

**Pritchett, Wendell E. 2003. "The 'Public Menace' of Blight: Urban Renewal and the Private Uses of Eminent Domain," *Yale Law & Policy Review*, 21(1), 1-52.

PART III: PEOPLE-BASED STRATEGIES

Session 8 (3/17): Business-oriented strategies.

Leigh and Blakely, Chptr. 9.

Davis, Julie, David Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman, and Joe Persky. 2009.

“The Impact of an Urban Wal-Mart Store on Area Businesses: An Evaluation of One Chicago Neighborhood's Experience,” Center for Urban Research and Learning Loyola University Chicago working paper. (C)

Foggin, Mark, Jonathan Bowles and Tina Spaic. 2012. *Smarter Small Businesses*. New York: Center for an Urban Future. (C)

Laney, Kahliah, Jonathan Bowles and Tom Hilliard. 2013. *Launching Low-Income Entrepreneurs*. New York: Center for an Urban Future. (C)

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

*****MIDTERM POSTED ON CANVAS ON WEDS. MARCH 19TH BY 6PM AND DUE ON SUNDAY MARCH 23RD BY 3PM *****

Session 9 (3/24): NO CLASS—SPRING BREAK

Session 10 (3/31): DESIGNING AN ED STRATEGY

Leigh and Blakely, Chptrs. 4-7, 12

Gomez-Ibanez, Jose A. and Sheikh Zahid Masood. 2008. “Vision Mumbai,” Kennedy School of Government Case Program, CR14-08-1917.0. (Purchase from HBS)

Meltzer, Rachel. 2012. “Designing and Implementing an Urban Economic Development Strategy: A Guide for Cities.” Prepared for UN Habitat. (C)

****Wolman, Harold and David Spitzley. 1996. “The Politics of Local Economic Development,” *Economic Development Quarterly*, 10(2), 115-150. (C)**

****Rubin, Herbert J. 1998. “Shoot Anything That Flies; Claim Anything That Falls: Conversations with Economic Development Practitioners,” *Economic Development Quarterly*, 2(3), 236-251. (C)**

****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. (C)**

Session 11 (4/7): Workforce development strategies.

****Guest speaker: Jukay Hsu, Founder, Coalition for Queens****

Leigh and Blakely, Chptr. 10.

Hilliard, Tom. 2013. “Innovations in Workforce Development,” Center for an Urban Future

commentary. (C)

- Lester, T. William and Daniel A. Hartley. 2013. "The Long-Term Employment Impacts of Gentrification in the 1990s," Federal Reserve Bank of Cleveland working paper, #13-07. (C)
- Holzer, Harry J. 1994. "Black Employment Problems: New Evidence, Old Questions," *Journal of Policy Analysis and Management*, 13(4), 699-722. (C)
- **O'Regan, Katherine M. and John M. Quigley. 1996. "Spatial Effects Upon Employment Outcomes: The Case of New Jersey Teenagers," UC Berkeley Economics working paper. (C)
- **Ranney, David C. and John J. Betancur. 1992. "Labor-Force-Based Development: A Community-Oriented Approach to Targeting Job Training and Industrial Development," *Economic Development Quarterly*, 6(3), 286-296. (C)

PART III: SYSTEMS-BASED STRATEGIES

Session 12 (4/14): The private and nonprofit sectors.

Leigh and Blakely, Chptrs. 11 and 13.

- 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)
- Johnson, Kimberley. 2004. "Community Development Corporations, Participation, and Accountability: The Harlem Urban Development Corporation and the Bedford-Stuyvesant Restoration Corporation." *The Annals of the American Academy of Political and Social Science*, 594, 109-124. (C)
- Donahue, John D. and Susan Rosegrant. 2004. "Parks and Partnership in New York City (B): The Spectrum of Engagement," Kennedy School of Government Case Program, CR16-04-1744.0. (Purchase from HBS)
- Porter, Michael. 1995. "The Competitive Advantage of the Inner City," *Harvard Business Review*, May-June, 55-71. (C)

Session 13 (4/21): **FIELD TRIP TO WHEDCO (BRONX, NY)**

Session 14 (4/28): Crime and safety.

- 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. (C)
- Jacobs, Jane. 1989. *The Death and Life of Great American Cities*, Chptr. 2. New York: Vintage Books. (C)
- Lens, Michael and Rachel Meltzer. 2013. "Is Crime Bad for Business? Crime and Commercial Property Values in New York City," working paper. (C)
- Kelling, George L. and James Q. Wilson. 1982. "Broken Windows: The Police and Neighborhood Safety," *Atlantic Monthly*, 249(3), 29-38. (C)
- Abrahamsen, Rita and Michael C. Williams. 2007. "Securing the City: Private Security Companies and Non-State Authority in Global Governance," *International Relations*, 21(2), 237-253. (C)

- **Hoyt, Lorraine 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), 185-199. (C)
- **Ellen, Ingrid Gould and Johanna Ruth Laco. 2013. "Do Foreclosures Cause Crime?" Furman Center Policy Brief. (C)

Session 15 (5/5): Food security.

****Guest speaker: James Johnson-Piett, Principal and CEO, Urbane Development****

- Multiple authors. 1992/1995. "Supermarkets in Inner Cities," Kennedy School of Government Case Program, 9-796-145. (Purchase from HBS)
- Moon, J. Robin. 2006. "Public Markets and Community Health: An Examination," prepared for Project for Public Spaces. (C)
- Gittelsohn, Joel, Megan Rowan, and Preeti Gadhoke. 2012. "Interventions in Small Food Stores to Change the Food Environment, Improve Diet, and Reduce Risk of Chronic Disease," *Preventing chronic disease*, 9.

Session 16 (5/12): Regional and spatial issues and globalization.

- Blair and Carroll, Chptr. 12. (C)
- Tiebout, Charles M. "A pure theory of local expenditures." *The Journal of Political Economy*, 64(5), 416-424. (C)
- Clark, Greg and Tim Moonen. 2013. *The Ten Traits of Globally Fluent Metro Areas*. Washington D.C.: Brookings Institution. (C)
- Beall, Jo. 2002. "Globalization and Social Exclusion in Cities: Framing the Debate with Lessons from Africa and Asia," *Environment and Urbanization*, 14(1), 41-51. (C)
- 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), 125-150. (C)
- 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), 63-78. (C)
- **Bartik, Timothy J. 1991. "Boon or Boondoggle? The Debate Over State and Local Economic Development Policies," In *Who Benefits from State and Local Economic Development Policies?* Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 1-16. (C)
- **Glaeser, Edward L., Jed Kolko and Albert Saiz. 2001. "Consumer City," *Journal of Economic Geography*, 1(1), 27-50. (C)
- **Henderson, Vernon. 2002. "Urbanization in Developing Countries," *The World Bank Research Observer*, 17(1), 89-112. (C)

Session 17 (5/19): Final reflections and sharing final papers.

*****FINAL PAPER DUE BY THE START OF CLASS ON MONDAY MAY 19TH*****