

**Graduate Program in Urban Planning
School of Architecture and Urban Design
University of Kansas**

UBPL 714
Local Economic Development
Spring, 2006

Professor Kirk McClure
Office: 317 Marvin Hall
(785) 864-3888

Line Number: 61643
3 Credits

11:00 am to 12:10 pm Tuesday and Thursday
Classroom: 308 Marvin

SYLLABUS

Introduction and Objectives

This course is directed toward planning students interested in local economic development planning. The focus of the course is on the implementation of community and neighborhood revitalization programs as well as on the methods used by the public sector to design programs to expand and enhance the level of economic activity within a community, especially to add to the base of jobs for unemployed or underemployed workers. Students in the course will both study research examining local economic development programs as well as complete a project in the field.

Course Objectives

The objectives of the course are:

1. To provide planners and other interested persons with an understanding of the economic, and political theories that have been used to guide local economic development planning,
2. To examine empirical research that has attempted to evaluate the impact of various types of government intervention designed to create jobs and further economic growth, and
3. To bring the student to a working knowledge of some of the various techniques used by the public sector to spur local economic development.

Prerequisites

The prerequisites for the course include completion of UBPL 764: Real Estate Development Planning or permission of the instructor. The course is designed to serve as an advanced course for students who have skills in the development area of concentration.

Format

The format of the course is that of a graduate level lecture and discussion class. Students are expected to be prepared for and to engage in discussions on each topic covered in the course.

Course Assignments

In addition to normal participation in class sessions, there will be one written assignment and two examinations. The assignment will be in the form of individual project working to examine the economic development potential of a community. Mid-term and final examinations will be given in a take-home format.

The schedule for the course assignments and examinations is:

Project Assignment distributed	Date:	January 26
Project Assignment submitted	Due:	May 12
Mid-term examination distributed	Date:	March 16
Mid-term examination submitted	Date:	March 28
Final examination distributed	Date:	May 11
Final examination submitted	Due:	May 17

Requirements, Grading and Academic Misconduct

The following weights will be used in the determination of a final grade in the course:

Mid-term examination		25 %
Project	25 %	
Final examination		25 %
Class Participation		25 %

It is a requirement of the course that all assignments project, and examinations be prepared and submitted on or before the due date. Work submitted after the due date will not be accepted except through prior arrangement with the professor. All work submitted is expected to meet normal standards for graduate student performance within a professional degree program.

Students should be aware of the University rules regarding academic misconduct, which includes plagiarism. Students who do not complete the work required in the course will be given a grade of I only where, for good reason, some part of the work has not been done while the remainder of the work has been satisfactorily completed. These are summarized in the *Student Handbook*.

Students with Disabilities

Any student in this course who has a disability that prevents the fullest expression of abilities should contact the instructor as soon as possible so that appropriate accommodations can be made for the completion of the course requirements.

Schedule Conflicts and Religious Observances

If any scheduled assignment or examination conflicts with a mandated religious observation, a student should immediately contact the instructor to arrange a make-up assignment or examination on a mutually acceptable date.

Recording Lectures

Course materials prepared by the instructor, together with the content of all lectures and review sessions presented by the instructor are the property of the instructor. Video and audio recording of lectures and review sessions without the consent of the instructor is prohibited. On request, the instructor will usually grant permission for students to audio tape lectures, on the condition that these audio tapes are only used as a study aid by the individual making the recording. Unless explicit permission is obtained from the instructor, recordings of lectures and review sessions may not be modified and must not be transferred or transmitted to any other person, whether or not that individual is enrolled in the course.

Misconduct

The scope and content of the material included in this course are defined by the instructor in consultation with the responsible academic unit. While the orderly exchange of ideas, including questions and discussions prompted by lectures, discussion sessions and laboratories, is viewed as a normal part of the educational environment, the instructor has the right to limit the scope and duration of these interactions. Students who engage in disruptive behavior, including persistent refusal to observe boundaries defined by the instructor regarding inappropriate talking, discussions, and questions in the classroom or laboratory may be subject to discipline for non-academic misconduct for disruption of teaching or academic misconduct, as defined in the Code of Student Rights and Responsibilities (CSRR), Article 22, Section C, and the University Senate Rules and Regulations, Section 2.4.6. Article 22 of CSRR also defines potential sanctions for these types of infractions.

Disclaimer

This syllabus is to serve as a guide only. This course is subject to change in the event of extenuating circumstances.

Required Texts

Reading materials for the course have been digitized and are available in electronic format through electronic reserves and on the School of Architecture's network. The names of the digitized files are listed below each assigned reading.

The course has two required texts. They are:

Blakely, Edward J. and Ted K. Bradshaw. 2002. *Planning Local Economic Development: Theory and Practice (3rd ed.)*. Thousand Oaks (CA): Sage Publications.

Paperback ISBN: 0-7619-2458-2

White, Sammis B., Richard D. Bingham, and Edward W. Hill. 2003. *Financing Economic Development in the 21st Century*. Armonk, New York: M.E. Sharpe.

Paper ISBN: 0-7656-0831-6

Topic Outline and Reading Assignments

Lecture 1: Introduction to the Course Initial Discussion of Course Project

Topic: What is economic development planning?

Readings: Chapter 1. A New Argument for Taking Local Economic Development Initiatives in Blakely and Bradshaw, pp. 1-28.

Stephen Malpezzi, Local Economic Development and Its Finance: An Introduction in White, Bingham, and Hill, pp. 3-26.

Lecture 2: Concepts and Theories of Local Economic Development

Topic: What are the economic theories that support local economic development planning?
What is Economic Development and how has it evolved over time?

Readings: Chapter 2. Toward a National and State Policy Agenda in Blakely and Bradshaw, pp. 29-51.

Chapter 3. Concepts and Theories of Local Economic Development in Blakely and Bradshaw, pp. 53-73.

Teitz, Michael B. Changes in Economic Development Theory and Practice *International Regional Sciences Review*, Vol. 16, Nos. 1 & 2, 1994, pp. 101-106.
<Changes_in_Economic_Development_Theory_and_Practice.pdf>

Lecture 3: Practice of Economic Development

Topic: What does an economic development planner actually do?

Readings: Chapter 4. The Local Economic Development Planning Process in Blakely and Bradshaw, pp. 75-101.

Chapter 14. The Local Economic Development Profession and Professionals in Blakely and Bradshaw, pp. 375-385.

Lecture 4: Practice of Economic Development

Topic: What does an economic development planner actually do?

Clarke, Susan E. and Gary L. Gaile, The Next Wave: Post-federal Local Economic Development Strategies, *Economic Development Quarterly* 6(2):187-198, May, 1992.
<The_Next_Wave.pdf>

Levy, John M. What Economic Developers Actually Do: Location Quotients versus Press Releases, *Journal of the American Planning Association* 56(2):153-160, 1990.
<What_Economic_Developers_Actually_Do.pdf>

Lecture 5: Practice of Economic Development

Topic: What analytical techniques are used by practicing local economic development planners?

Chapter 5. Analytical Techniques for Planning Local Development in Blakely and Bradshaw, pp. 103-153.

Chapter 6. Selecting a Local Economic Development Strategy in Blakely and Bradshaw, pp. 155-177.

Chapter 11. Preparing a Detailed Project Plan in Blakely and Bradshaw, pp. 311-340.

Lecture 6: Market Analysis

Topic: How do planners decide what will sell and what a market will support?

Readings: Papke, Gary and Cheryl Inghram, Detecting the Flaws in Market Analysis, *Planning* 56(6): 18-22, 1990.
<Papke_Gary_Detecting_the_Flaws_in_Market_Analysis.pdf>

Whelan, George, Public Budgeting Criteria for Assisting Economic Development, *Government Finance Review*, June, 1985, pp. 13-17.
<Public_Budgeting_Criterial_for_Assisting_Economic_Development.pdf>

Lecture 7: Market Analysis

Topic: How do planners decide what will sell and what a market will support?

Readings: Pagano, Michael A., and Ann O'M. Bowman, Attributes of Development Tools: Success and Failure in Local Economic Development, *Economic Development Quarterly* 6(2): 173-186, 1992.

<Attributes_of_Development_Tools.pdf>

McClure, Kirk. Growth and Change in the Workforce of Lawrence, Kansas, 1996 to 2002.

<McClure_Growth_and_Change_in_the_Workforce_of_Lawrence.pdf>

McClure, Kirk. The Industrial Space Needs of Lawrence, Kansas.

<McClure_Industrial_Space_Needs_of_Lawrence.pdf>

Lecture 8: Programs: Local Economic Development at the Neighborhood Scale

Topic: Can it work at the neighborhood level?

Readings: Teitz, Michael B., Neighborhood Economics: Local Communities and Regional Markets, *Economic Development Quarterly* 3(2):111-122, May 1989.

<Neighborhood_Economics.pdf>

McLean, Beverly and James Bates, Financing Neighborhood Businesses: Collaborative Strategies in White, Bingham, and Hill, pp. 185-207.

Bowen, William M., Kimberly Winson-Geideman, and Robert A. Simons, Financing Public Investment in Retail Development in White, Bingham, and Hill, pp. 250-265.

Lecture 9: Programs: Business Districts and Business Development

Topic: How do business improvement districts work?

Readings: Chapter 7. Locality Development in Blakely and Bradshaw, pp. 179-215.

Chapter 8. Business Development in Blakely and Bradshaw, pp. 217-249.

Mitchell, Jerry, Business Improvement Districts and the 'New' Revitalization of Downtown. *Economic Development Quarterly* 15(2):115-123, May 2001.

<Business_Improvement_Districts_and_the_New_Revitalization_of_Downtown.pdf>

Lecture 10: Economic Development: Inner City Opportunities

Topics: If the inner city is full of low-cost labor and low-cost land, why isn't it attracting new investment?

Readings: Porter, Michael E., New Strategies for Inner-City Economic Development, *Economic Development Quarterly* 11(1):11-27, 1997.
<New_Strategies_for_Inner-City_Economic_Development_1.pdf>
<New_Strategies_for_Inner-City_Economic_Development_2.pdf>

Harrison, Bennett and Amy K. Glasmeier, Response: Why Business Alone Won't Redevelop the Inner City: A Friendly Critique of Michael Porter's Approach to Urban Revitalization, *Economic Development Quarterly* 11(1):28-38, 1997.
<Why_Business_Alone_Won_t_Revitalize_the_Inner_City.pdf>

Lecture 11: Cluster Theory

Topic: What is cluster theory and how can it be employed in economic development planning?

Reading: Held, James R. Clusters as an Economic Development Tool: Beyond the Pitfalls, *Economic Development Quarterly* 10(3):249-261, August 1996.
<Clusters_as_an_Economic_Development_Tool_1.pdf>
<Clusters_as_an_Economic_Development_Tool_2.pdf>

Porter, Michael E. Location, Competition and Economic Development: Local Clusters in a Global Economy. *Economic Development Quarterly* 14(1):15-34, 2000.
<Porter EDQ 2000.pdf>

Lecture 12: The Politics of Economic Development

Topic: What are the politics of economic development planning?

Readings: Harold Wolman and David Spitzley, The Politics of Local Economic Development, *Economic Development Quarterly* 10 (2):115-150, May 1996
<The_Politics_of_Local_Economic_Development_1.pdf>
<The_Politics_of_Local_Economic_Development_2.pdf>
<The_Politics_of_Local_Economic_Development_3.pdf>

Fitzgerald, Joan and Nancey Green Leigh, Chapter 1. Redefining the Field of Local Economic Development in *Economic Revitalization: Cases and Strategies for City and Suburbs*, Thousand Oaks, California: Sage, 2002, pp. 9-38.
<Redefining_the_Field_of_Local_Economic_Development_1.pdf>
<Redefining_the_Field_of_Local_Economic_Development_2.pdf>

Lecture 13: The Politics of Economic Development

Topic: How do theories drawn from political economics explain urban decay and urban policy?

Readings: Weiss, Marc, The Origins and Legacy of Urban Renewal, in *Federal Housing Policy & Programs*, J. Paul Mitchell, ed., New Brunswick, New Jersey: Center for Urban Policy Research, Rutgers University, 1985, pp. 253-276.

<The_Origins_and_Legacy_of_Urban_Renewal_1.pdf>

<The_Origins_and_Legacy_of_Urban_Renewal_2.pdf>

Anderson, Martin, The Federal Bulldozer, in *Urban Renewal: The Record and the Controversy*, Cambridge, Massachusetts: M.I.T. Press, 1966, pp. 491-508.

<The_Federal_Bulldozer.pdf>

Lecture 14: The Politics of Economic Development

Topic: How do theories drawn from political economics explain urban decay and urban policy?

Readings: Smith, Wallace, The Federal Bulldozer: A Review, in *Urban Renewal: The Record and the Controversy*, Cambridge, Massachusetts: M.I.T. Press, 1966, pp. 532-536.

<The_Federal_Bulldozer_-_A_Review.pdf>

Gans, Herbert J., The Failure of Urban Renewal, in *Urban Renewal: The Record and the Controversy*, Cambridge, Massachusetts: M.I.T. Press, 1966, pp. 537-557.

<The_Failure_of_Urban_Renewal.pdf>

Lecture 15: The Politics of Economic Development

Topic: What theories explain urban decay and urban policy?

Readings: Teitz, Michael B. and Karen Chapple The Causes of Inner-City Poverty: Eight Hypotheses in Search of Reality *Cityscape* 3(3):33-70, 1998.

<Teitz_and_Chapple_Cityscape.pdf>

Lectures 16: The Concentration of Poverty

Topic: Is poverty concentrated? Is it improving or deteriorating?

Readings: Jargowsky, Paul A., *Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s*. Washington, D.C.: The Brookings Institute, May 2003.

<Jargowsky.pdf>

Lecture 17: The Concentration of Poverty

Topic: Is there a spatial mismatch between the locations of entry-level jobs and the locations of low skill set workers?

Readings: Ihlanfeldt, Keith, The Spatial Mismatch Between Jobs and Residential Locations within Urban Areas, *Cityscape* 1(1):219-244, August 1994.
<Ihlanfeldt_Cityscape_1994.pdf>

Lecture 18: Firm Size and Jobs

Topic: Who creates the jobs, big firms or small ones?

Readings: White, Sammis B. and Jeffrey D. Osterman, Is Employment Growth Really Coming from Small Establishments? *Economic Development Quarterly* 5(3):241-257, August 1991.
<Is_Employment_Growth_Really_Coming_from_Small_Establishments.pdf>

Harrison, Bennett, The Myth of Small Firms as the Predominant Job Generators, *Economic Development Quarterly* 8(1):3-18, 1994.
<The_Myth_of_the_Small_Firms_Being_the_Predominant_Job_Generator.pdf>

Lectures 19: Evaluation of Economic Development Programs

Topic: How well to economic development programs work?

Readings: Rod Hissong, The Efficacy of Local Economic Development Incentives, in White, Bingham, Hill, pp. 131-144.

Peters, Alan and Peter Fisher. Commentary: The Failures of Economic Development Incentives. *Journal of the American Planning Association* 70(1):27-37, 2004.
<Peters_and_Fisher.pdf>

Lectures 20: Evaluation of Economic Development Programs

Topic: How well to economic development programs work?

Reading: Felsenstein, Daniel, and Joseph Persky. 1999. When Is a Cost Really a Benefit? Local Welfare Effects and Employment Creation in the Evaluation of Economic Development Programs. *Economic Development Quarterly* 13 (1):46-54.
<When_Is_a_Cost_Really_a_Benefit.pdf>

Lectures 21: Programs: Tax Abatements

Topic: How well to tax incentives work?

Readings: Peckol, Loretta L., Tax Abatements -- Revenue or Expense?, *Journal of Planning Literature* 3(3):353-364, Summer 1988.
<Tax_Abatements.pdf>

Guskind, Robert, The Giveaway Game Continues, *Planning* 56(2):4-8, Feb., 1990.
<Guskind_GiveawayGame.pdf>

Lectures 22: Programs: Tax Abatements

Topic: How well to tax incentives work in Lawrence?

Readings: McClure, Modification of the Tax Abatement Ordinance of Lawrence, Kansas.
<McClure_Modification_of_the_Tax_Abatement.pdf>

Lectures 23: Programs: Empowerment Zones

Topic: How well do empowerment zones work?

Readings: Rubin, Barry M. and Margaret G. Wilder, Urban Enterprise Zones: Employment Impacts and Fiscal Incentives, *Journal of the American Planning Association* 55(4):418-431, Autumn 1989.
<Enterprise_Zone_Incentives_1.pdf>
<Enterprise_Zone_Incentives_2.pdf>

Gittell, Marilyn, Kathe Newman, Janice Boxmeyer, and Robert Lindsay, Explaining Civil Opportunity: Urban Empowerment Zones, *Urban Affairs Review* 33(4):530-558, 1998.
<Gittell_ExpandingUrbanOp.pdf>

Lectures 24: Programs: Empowerment Zones

Topic: How well do empowerment zones work?

Peters, Alan and Peter Fisher, Enterprise Zone Incentives: How Effective Are They? in White, Bingham, and Hill, pp. 113-130.

Boarnet, Marlon G., Enterprise Zones and Job Creation: Linking Evaluations and Practice, *Economic Development Quarterly* 15(3):242-254, August 2001.
<Enterprise_Zones_and_Job_Creation.pdf>

Lecture 25: Programs: Public Sector Lending

Topics: How well does tax increment financing work?

Readings: Klemanski, John S. Using Tax Increment Financing for Urban Redevelopment Projects, *Economic Development Quarterly* 4(1):23-28, February 1990.
<Using_Tax_Increment_Financing.pdf>

Rachel Weber, Tax Incremental Financing in Theory and Practice, in White, Bingham, Hill, pp. 53-69.

Lecture 26: Programs: Public Sector Lending

Topic: How well do public sector loans work as an economic development tool?

Readings: Hanson, Gordon S., Evaluation of State Lender Commitment Programs, *Economic Development Quarterly* 7(3):255-266, August 1993.
<Evalutaion_of_State_Lender_Commitment_Programs.pdf>

Marlin, Matthew R., The Effectiveness of Economic Development Subsidies, *Economic Development Quarterly* 4(1):15-22, February 1990.
<The_Effectiveness_of_Economic_Development_Subsidies.pdf>

Robinson, Kelly, Revolving Loan Funds, in White, Bingham, and Hill, pp. 170-184.

Lecture 27: Programs: Exactions

Topic: How well do developer exactions work?

Reading: Peddle, Michael T. and Roger K. Dahlstrom, Development Exactions in White, Bingham and Hill, pp. 92-109

Lecture 28: Programs: Enforcement

Topic: How do economic development planners enforce agreements?

Readings: Ledebur, Larry and Douglas P. Woodward, Adding a Stick to the Carrot: Location Incentives with Clawbacks, Recisions, and Recalibrations, in White, Bingham and Hill, pp. 70-91.

Weber, Rachel. Do Better Contracts Make Better Economic Development Incentives?, *Journal of the American Planning Association* 68(1):43-55, 2002.
<Weber Do Better Contracts make Better ED Incentives.pdf>

Lecture 29: Course Project

Topic: What have we learned with the course project?

Lecture 30: Course Review

Topic: What do we know about economic development planning?

Course Timetable

<i>Week</i>	<i>Lecture Date</i>	<i>Topic</i>	<i>Readings</i>		
1	1 January 24, 2006 2 January 26, 2006	Introduction to Course Theory of Economic Development	Chapter 1 in BB Chapters 2 and 3 in BB	Malpezzi in WBH Teitz	
2	3 January 31, 2006 4 February 2, 2006	Practice of Economic Development Practice of Economic Development	Chapters 4 and 14 in BB Clarke and Gaile	Levy APA	
3	5 February 7, 2006 6 February 9, 2006	Practice of Economic Development Market Analysis	Chapters 5, 6 and 11 in BB Papke	Whelan	
4	7 February 14, 2006 8 February 16, 2006	Market Analysis Programs: Neighborhood Scale	Pagano and Bowman McLean and Bates in WBH	McClure, Lawrence case Bowen et al in WBH	Tietz
5	9 February 21, 2006 10 February 23, 2006	Programs: Business Districts Inner-City Opportunities	Chapter 7 and 8 in BB Porter	Mitchell Harrison	
6	11 February 28, 2006 12 March 2, 2006	Cluster theory Politics of Economic Development	Held Wohlman and Spitzley	Porter Fitzgerald and Leigh	
7	13 March 7, 2006 14 March 9, 2006	History: Urban Renewal History: Urban Renewal	Weiss Smith	Anderson Gans	
8	15 March 14, 2006 16 March 16, 2006	Theory of decline Concentration of Poverty	Tietz and Chapple Jargowsky		
9	March 21, 2006 March 23, 2006	Spring Break Spring Break			
10	17 March 28, 2006 18 March 30, 2006	Spatial Mismatch Hypothesis Job Source	Ihlanfeldt White	Harrison	
11	19 April 4, 2006 20 April 6, 2006	Evaluation Evaluation	Hissong in WBH Felstein and Pershy	Peters and Fisher APAJ	
12	21 April 11, 2006 22 April 13, 2006	Programs: Tax Abatements Programs: Tax Abatements	Pekol McClure, Lawrence Case	Guskind	
13	23 April 18, 2006 24 April 20, 2006	Programs: Enterprise Zones Programs: Enterprise Zones	Rubin in <i>JAPA</i> Peters and Fisher in WBH	Gitell Boarnet	
14	25 April 25, 2006 26 April 27, 2006	Programs: TIF Programs: Loans	Weber in WBH Robinson in WBH	Klemanski Hanson	Marlin
15	27 May 2, 2006 28 May 4, 2006	Programs: Exactions Programs: Enforcement	Peddle & Dahlstrom in WBH Weber in <i>JAPA</i>	Robinson in WBH Ledebur and Woodward in WBH	
16	29 May 9, 2006 30 May 11, 2006 May 12, 2006	Project Review Course Review Stop Day			
17	May 17, 2006	Final Exam Due			