ECP 5606 - 0001   Urban and Regional Economics

**(Fall 2018)**

# Course Syllabus

Class Times: 5:15 – 6:30 M W

Classroom: Bellamy 202

Professor: Dr. Keith Ihlanfeldt, Professor of Economics, Devoe Moore Eminent Scholar, Fellow Regional Science Association International, Halbert C. Smith Honorary Fellow

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Office Hours: 4:00 – 5:00 M W or by appointment (email or schedule after class)

ACADEMIC HONESTY

The Academic Honor System at Florida State University is based on the premise that each student has the responsibility to:

* uphold the highest standards of academic integrity in the student’s own work
* refuse to tolerate violations of academic integrity
* foster a high sense of integrity and social responsibility.

Academic dishonesty in any form in this course will not be tolerated. If an instance of academic dishonesty takes place, all students involved will receive a failing grade for the course. There are no exceptions to this policy.

AMERICANS WITH DISABILITIES ACT

Students with disabilities needing academic accommodations should (1) register with and provide documentation to the Student Disability Resource Center (SDRC) and (2) bring a letter to the instructor from SDRC indicating that you need accommodations. This should be done within the first week of class.

Course Description and Objectives

This course is divided into two parts. In the first part of the course, theories of location are considered. With the help of these theories our objectives are to understand why cities exist, why they are located where they are, the distribution of city sizes, the causes of regional and metropolitan growth and decline, and the spatial distribution of alternative activities within cities. In part two of the course, we draw upon our knowledge of spatial economics to analyze problems and policies in the areas of urban transportation, poverty, housing and neighborhood development, public finance, and regional economic development.

Materials

All readings are available on Canvas.

Requirements

Required for field of specialization in Urban Economics, Ph.D. in Economics

### Evaluation Procedure

(1) Midterm Exam (in-class essay exam) 30 percent

(2) Term Paper 30 percent, due last class

(3) Final Exam (in-class essay exam) 30 percent

(4) Class presentations 10 Percent

### Term Paper Assignment

A formal term paper (i.e., the paper should like one you would submit to a journal for publication) on a well-recognized urban or regional problem is required. Three different types of papers are acceptable. One type would involve gathering some data in order to test a hypothesis using a regression model. For example, you might run a regression to test whether gated communities have less crime than ungated communities. Or, a regression analysis could be done on how the noise from the amphitheater at Cascades Park has affected nearby property values. Another option would be a qualitative case study paper on an urban or regional problem that would consist of two parts. In the first part of the paper, you should present a general discussion of the economics of the problem (i.e., why is the problem a problem, why does it exist, what has been or could be done to alleviate the problem, an analysis of these solutions, etc.). The second part of the paper involves an investigation of the problem in the context of a specific region or metropolitan area. The case study should try to document the severity of the problem within the area you have chosen. Also you should critically analyze tried-proposed solutions to the problem on both efficiency and equity grounds. Finally, your paper could be a dissertation prospectus or look like such. In this type of paper you would present your idea for a dissertation without actually doing the data analysis. So the paper would include a proposed topic, a literature review on the topic, a discussion of the data and methodology you would use, and most importantly why the research would be worth doing. While there are no hard and fast limits on the length of the paper, the average paper should probably fit in the 15-20 page range. All topics must be cleared with me early in the semester, at which time I will provide personal instruction on how to get started.

Some suggested urban and regional problems that you may find interesting are:

1. Urban crime, causes and consequences
2. The home mortgage foreclosure crisis
3. The housing affordability crisis among low-income renters
4. Transportation
   1. congestion problem
   2. the transportation problems of disadvantaged people (e.g., welfare recipients)
   3. transit oriented development

5. Education:

1. the drop-out problem
2. poor quality of schools in central cities in comparison to suburban areas

6. Pollution:

1. air
2. noise
3. water

7. Neighborhood decay and revitalization/gentrification and brownfield redevelopment

8. Poverty:

1. the working poor or
2. the underclass poor

9. Racial segregation and discrimination in the housing market

10. Sprawl

11. Homeless people

12. The fiscal problems of state and local governments

13. Regional disparities in income, education, and other socio-economic indicators

14. Regional water shortages

15. The efficiency and equity of land-use regulations

16. Sustainable Development

17. Urban Infrastructure Repair

18. Housing for the elderly

19. School related issues, e.g. segregation, violence, the charter school alternative

20. The growth in income inequality

On Canvas there are a number of papers that provide guidance on writing and presenting an empirical economics paper. They are

1. Duke University, “Writing in Economics”
2. Elmer Sterken, “How to write an economics paper”
3. Tim Kehoe, “Suggestions on Preparing for Presentations of Economic

Research”

### Course Outline (Everything should be read. The articles with a **SP** will be presented by students.)

I. Introduction and Overview (Week One)

Ihlanfeldt, K., “The Importance of the Central City to the Regional and National Economy: A Review of the Arguments and Empirical Evidence”

Rosenthal, Stuart and William Strange, “The Micro-Empirics of Agglomeration Economies”

Glenn Ellison, Ed Glaeser and William Kerr, “What Causes Industry Agglomeration? Evidence from Coagglomeration Patterns”

Edward L. Glaeser, “Are Cities Dying?”

**SP**  Carlino, Chatterjee, & Hunt, “Urban Density and the Rate of Invention”

II. Market Forces in the Development of Cities

A. The Location of the Firm (Week Two)

William Alonso, “Location Theory”.

Dennis W. Carlton, “The location and employment choices of new firms: an econometric model with discrete and continuous endogenous variables”

**SP** Ciccone and Hall, “Productivity and the Density of Economic Activity”

B. The System of Cities and the Urban Hierarchy (Week Three)

Plattner, “Rural Market Networks”

Chapter 5 of James Heilbrun, *Urban Economics and Public Policy*

**SP** Soo, “Zipf's Law for Cities: A Cross-Country Investigation”

C. Economic Development Policy

Bartik, Timothy J., “Jobs, Productivity, and Local Economic Development: What

Implications does Economic Research have for the Role of the

Government?”

**SP** Matias Busso and Patrick Kline, “Do Local Economic Development Programs Work? Evidence from the Federal Empowerment Zone Program”

III. Intra-urban Location and Land Use

A. Intra-urban Location and Land Use (Week Four)

Richard Arnott, “What Planners Need to Know About the New Urban Economics””

Edward L. Glaeser, “The economics approach to cities”

McMillen, Daniel, “Testing for Monocentricity”

**SP** Edward Coulson, "Really Useful Tests of the Monocentric Model,"

B. Suburbanization and Sprawl (Week Five)

Jan Brueckner, “Urban Sprawl: Diagnosis and Remedies”

Miezkowski and Mills, “The Causes of Metropolitan Suburbanization,”

**SP** Ihlanfeldt and Willardsen, “Local public services costs and the geography of development: Evidence from Florida counties”

C. Zoning and Land Use Controls (Week Six)

Joseph Gyourko and Raven Molloy, Regulation and Housing Supply

Jan Brueckner, “Government Land Use Interventions: An Economic Analysis”

**SP** Keith Ihlanfeldt and Tom Mayock, Housing Bubbles and Busts: The Role of Supply Elasticity

K. Ihlanfeldt, “Exclusionary Land Use Regulations Within Suburban Communities: A Review of the Evidence and Policy Prescriptions”

**SP** K Ihlanfeldt and T. Mayock and R. Cheung, “The Incidence of the Land Use Regulatory Tax”

IV. Housing Markets and Housing Policies

A. Neighborhood Change (Week Seven)

Little, James, “The Dynamics of Neighborhood Change,”

Lowry, Ira, “Filtering and Housing Standards: A Conceptual Analysis,”

**SP** Rossi-Hansberg, Sarte, & Owens, “Housing Externalities”

B. Residential Segregation (Week Eight)

**SP** Ihlanfeldt and Mayock “School Segregation and the Foreclosure Crisis”,

Leah Platt Boustan, “Racial Residential Segregation in American Cities”

**SP** K. Ihlanfeldt and T. Mayock, “Price Discrimination in the Housing Market,”

C. Housing Policies (Week Nine)

Edgar Olsen and Jeffrey Zabel “United States Housing Policy”

* + 1. Hedonic Price Models (Week Nine)

L.O. Taylor, “Hedonics”

K. Ihlanfeldt and L. Taylor, “Externality effects of small-scale hazardous waste sites: evidence from urban commercial property

**SP** K.A. Kiel and M. Williams, "The Impact of Superfund Sites on Local Property Values: Are all Sites the Same?"

D.P. McMillen, "Airport Expansions and Property Values: The case of Chicago O'Hare Airport"

V. Urban Transportation (Week Ten)

**SP** Aisling Reynolds-Feighan and Roger Vickerman, “Transportation Economics for Planners in the Twenty-First Century”

Genevieve Giuliano, “Transportation Policy: Public Transit, Settlement Patterns, and Equity in the United States”

VI. Urban Poverty (Week Eleven)

**SP** E.L. Glaeser, M.E. Kahn and J. Rappaport, "Why Do the Poor Live in Cities? The Role of Public Transportation."

Ihlanfeldt, K. “The Geography of Economic and Social Opportunity Within Metropolitan Areas”

**SP** Raj Chetty and others “Where is the Land of Opportunity?

The Geography of Intergenerational Mobility in the United States”

K. Ihlanfeldt “A Primer on Spatial Mismatch Within Urban Labor Markets”

**SP** Kling, Jeffrey R., Jeffrey B. Liebman, and Lawrence F. Katz, “Experimental

Analysis of Neighborhood Effects.”

VII. Urban Public Finance (Week Twelve)

**SP** Charles Tiebout, “A Pure Theory of Local Expenditures”

K. Ihlanfeldt and T. Shaughnessy, “An Empirical Investigation of the Effects of Impact Fees on Housing and Land Markets”

Stephen Ross and John Yinger, “Sorting and Voting: A Review of the Literature on Urban Public Finance”

VIII. Student Presentations of Term Papers (Week Thirteen and Fourteen)