PLANNING AND THE METRO ECONOMY Spring 2015
(Formerly "Financing Community Development")
PLAN 7011 Tuesday, 2:00 – 5:00

Professor: Dr. Charlie Santo
casanto@memphis.edu
http://www.memphis.edu/planning/santo.htm
210 McCord Hall
Office Hours: Thu 1:00 - 3:00, or by appointment

This course introduces key economic and fiscal issues in local government, and explores the relationship between planning and urban/suburban./rural fiscal health. Particular attention is paid to the causes of fiscal stress in local governments and the actions that planners take to mitigate them.

Subject matter is organized in the following categories: the economic role of government, basics of public finance (including capital improvement planning), the economic impacts of growth and development, and local redevelopment tools. Specific focus will be given to the relationship between planning, politics, urban-suburban fiscal disparity, and economic development policy in the context of Memphis.

Course Objectives

Upon completing this course, students can be expected to:

- Understand the basics of welfare economics as related to the role of planning and government intervention in general
- Understand the basics of budgeting and public finance as related to planning
- Be able to assess the efficiency and equity of taxes and other revenue sources
- Discuss with a critical perspective the potential causes of and remedies for urban and suburban fiscal stress

Required Readings

- Shuman, M. (2000). *Going Local: Creating Self-Reliant Communities in a Global Age*. Routledge.
- Other required readings will be made available electronically (e.g., on my website, by email, or via hyperlink in the PLAN 7011 syllabus posted on my website: http://www.memphis.edu/planning/santo.htm)

- http://smartcitymemphis.com/
- The Commercial Appeal

Optional Text:

Mankiw, N. G. (2003). *Principles of Microeconomics, 3rd Edition*. Thomson Learning. (*ISBN: 978-0324171884).*

Assignments and Grading

Course grades will be based on the following elements:

- **Exam 1** **25%**
  In class w/ take home essay

- **Exam 2** **25%**
  End of Semester Reflective Essay

- **Class Project:** **25%**

  Students will work in groups on an assessment of local economic development activities. The class will develop the scope and methodology of this research.

- **Class Participation** **25%**
  Includes student-led reading discussion during second half of the semester

Further details regarding assignments will be provided in class. These assignments may be revised or augmented as necessary. Students are expected to come to class prepared to discuss the assigned readings.

Grading Scale:

Grade	Range
A+	97 - 100
A	93 - 96.99
A-	90 - 92.99
B+	87 - 89.99
B	83 - 86.99
B-	80 - 82.99
C+	77 - 79.99
C	73 - 76.99
C-	70 - 72.99
D+	67 - 69.99
D	60 - 66.99
F	0 - 59.99

Policies

- Plagiarism and academic dishonesty will not be tolerated. Academic dishonesty will be dealt with in accordance to the University's Code of Student Conduct. Expectations for academic integrity and student conduct are described in detail on the website of the Office of Student Judicial and Ethical Affairs (http://saweb.memphis.edu/judicialaffairs).
- The classroom will be a place that is hospitable to all students. Students with disabilities will be accommodated in accordance to University policies. If you require assistance obtaining particular resources for your education, please see me.

Reading List and Schedule

Students are expected to come to class prepared to discuss the assigned readings.

All dates and assigned readings are tentative and subject to revision.

Course Overview and Introduction to Urban Fiscal Issues: Jan 20
It's gonna be more interesting than it sounds

- Wilogren, J. (2002). Shrinking Detroit Faces Fiscal Nightmare. *New York Times,* Feb. 2.
- Wheatley, T. (2012). Welcome to the Sunbust: Could This be the End of Sprawl in Atlanta? *Forefront*, 1 (8).
- Smothers, R. (1993). City Seeks to Grow by Disappearing. *New York Times*, Oct. 18.
- Berger, T. (2014). Dividing by Zero. *Memphis Flyer*, December 11.

Role of Government / Welfare Economics and Planning: Jan 27
Planners are Communists, Right?

- Crane, R. (2013). Public Finance Concepts for Economic Development. In *Financing Economic Development in the 21st Century.* White and Kotval, eds. M.E. Sharpe.
- Klosterman, R. (1985). Arguments for and Against Planning. *The Town Planning Review*. 56 (1)
- Moore, T. (1978). Why Allow Planners to Do What they Do? A Justification from Economic Theory. *Journal of the American Institute of Planners,* 44 (4) 387-398. [**link**]

Role of Government / Welfare Economics and Planning Feb 3

- Mankiw Chapter 7: Consumers, Producers, and the Efficiency of Markets **[link]**
- Mankiw Chapter 10: Externalities **[link]**
- Mankiw Chapter 11: Public Goods and Common Resources **[link]**

A Planner's Guide to Local Government Budgets, Pt. I Feb 10 and Feb 17
Revenues and Taxes

- Lucy, W. and Fisher, P. (2000). Budgeting and Finance. In *The Practice of Local Government Planning, 3rd Ed.* (pp. 401-422). **[link]**
- Huddleston, J. (2005). An Introduction to Local Government Budgets: A Guide for Planners. *Lincoln Institute of Land Policy.* **[link]**
- Tax Rates and Tax Burdens in the District of Columbia – A Nationwide Comparison. (2013). *Government of the District of Columbia, Office of the Chief Financial Officer, Office of Research and Analysis.* **[Link]**

- Mankiw Chapter 6: Supply, Demand, and Government Policies (pages 121-128 only) **[link]**
- Mankiw Chapter 8: Application: The Costs of Taxation **[link]**

A Planner's Guide to Local Government Budgets, Pt. II: Expenditures, Capital Budgets, and Debt Feb 24

- Steiss, A. (1997). Capital Facilities Planning. In *Contemporary Urban Planning, 5th Ed.* (169-185). **[link]**
- Elmer, V. (2013). Municipal Bonds and Local Government Borrowing. In *Financing Economic Development in the 21st Century.* White and Kotval, eds.
- Aronson and Schwartz (2004). Cost-benefit Analysis and the Capital Budget. In *Management Policies in Local Government Finance, 5th Ed.* (133-153). **[link]**

AND Exam 1 Review

Exam 1 Mar 3

Spring Break *Mar 10*

Sprawl: Mar 17
Fiscal Disparity in the Evolving Metropolis

- Brueckner, J. (2000). Urban Sprawl: Diagnosis and Remedies. *International Regional Science Review.* 23:2 (pp. 160-171). **[link]**
- Wassmer, Robert W. (2005). An Economic View of the Causes as Well as Some of the Benefits of Urban Spatial Segregation. *In Desegregating the City: Ghettos, Enclaves, and Inequality* (pp 158-174).
- Inman, R. (2003). Should Philadelphia's Suburbs Help their Central City? *Federal Reserve Bank of Philadelphia Business Review.* **[link]**

Free Market Choice, Public Policy, Urban Form and Disparity Mar 24
Who's Fault is this Mess? Or, Why the City Hates the County

- Dreier, P., Mollenkopf, J., and Swanstrom, T. (2001). The Road Not Taken: How Federal Policy Promoted Economic Segregation and Suburban Sprawl. In Place Matters: Metropolitics for the 21st Century. (pp. 92-132).
- Santo, C. (forthcoming 2015). Urban-Suburban Disparity and Geographic Stratification: A Context for Fiscal Conflict. *In The Dynamics of School District Consolidation: Race, Economics & the Politics of Educational Change*
- Mahron, C. (2012). Strong Towns Report: City of Memphis.

- Going Local – intro and chapter 1

Local Economic Development Efforts: Part 1 Mar 31

- Woldman, H. and Spitzley, D. (1996). The Politics of Local Economic Development. *Economic Development Quarterly*. 10:2.
- Rubin, H. (1998). Shoot Anything that Flies; Claim Anything that Lands: Conversations with Economic Development Practitioners. *Economic Development Quarterly*. 2:3.
- Reese, L. and Fasenfest, D. (1997). What Works Best? Values and the Evaluation of Local Economic Development Policy. *Economic Development Quarterly*. *11*:3.

- Going Local –chapters 2 and 3

Local Economic Development Efforts: Part 2 Apr 7
Hey, It Takes Money to Make Money, Right?

- Weber, R. (2013). Tax Increment Financing in Theory and Practice. In *Financing Economic Development in the 21st Century*. White and Kotval, eds. (pp. 283-301).
- Ihlandfledt, K. (1995). Ten Principles for State Tax Incentives. *Economic Development Quarterly*. 9:4.
- Sautet, F. (2006). Local Tax Incentives in Action: The Payment-in-Lieu of Tax Program in Memphis, Tennessee. *Mercatus Policy Series*. [link]
- Cafcas, T., Tarczynska, K, Mattera, P., and LeRoy, G. (2014). Memphis Blues: How Corporate Property Tax Breaks and Stadium Subsidies are Sapping the City's Fiscal Strength. Good Jobs First. [link]
- This American Life, Episode 435: How to Create a Job: http://www.thisamericanlife.org/radio-archives/episode/435/transcript

- Going Local –chapters 4 and 5

Going Local Apr 14

- Going Local –chapters 6 and 7

Local Economic Development Assessment April 21

- Redding TBD

Local Economic Development Assessment April 28