

Urban Economy - URP 6042

Department of Urban and Regional Planning

University of Florida

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Class Periods: Monday 5-6 period ARCH 423
Wednesday 5 period ARCH 423

Office Hours: Wednesday 1.00-3.00 PM and/or by appointment.

Course Objective:

This course offers an overview of selected important topics in urban economics. Urban economics, as a discipline lies at the intersection of geography and economics. At a general level, urban economics brings space into economic considerations. Primarily, this course will address following questions. Why do cities exist? Why cities differ from each other in size, structure, and other characteristics? What makes some of the cities grow exponentially? How do firms and individual decide where to locate? Why do firms cluster in urban locations? How price of land is determined and how it varies across space? What causes urban problems such as poverty, crime, housing, transportation, and pollution? How urban government addresses the above mentioned issues? This course will be applied in nature and will take an interdisciplinary approach.

Textbook:

O'Sullivan Arthur, Urban Economics (8th Edition), McGraw Hill/Irwin.

Course expectations:

I don't assume prior knowledge of microeconomics and calculus. Some class time will be used to cover basics of economics and econometrics.

Instructional Methods:

Classes will be conducted using lectures, discussions, and audio-visual presentations.

Course Requirements:

Weekly reading- you are expected to read and intellectually comprehend assigned readings for class discussion and written submission.

Assignment- you are required to do 4 assignments. The assignments are an important component of the course and each will count toward your final grade. You will be given at least 7 days (announced in the class) to complete your assignments.

Project- during the semester, students are expected to identify a research topic of their interest. Final project for the course includes, a comprehensive research proposal/paper, and a presentation.

Grading:

Assignments: 50% of the final grades (4X12.5%)
Article Summary: 5% of the final grades (4X1.25%)
Class Participation: 5% of the final grades
Final project:
-Final Proposal/Paper: 25% of the final grades
-Presentation: 15% of the final grades

Letter grades:

Numeric Grade	93-100	90-92.9	85-89.9	82-84.9	80-81.9	77-79.9	73-76.9	70-72.9	67-69.9	63-66.9	60-62.9	Below 60
Letter Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E
Quality Points	4.0	3.67	3.33	3.0	2.67	2.33	2.0	1.67	1.33	1.0	0.67	0.0

Accommodation for students with disabilities:

Students requesting classroom accommodation must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Disability Resource Center in the Dean of Students Office provides students and faculty with information and support regarding accommodations for students with disabilities in the classroom. Staff at the Disability Resource Center will assist any student who registers as having a disability.

Student Honor Code and Academic Honesty:

On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied:

"On my honor, I have neither given nor received unauthorized aid in doing this assignment."

Students must follow the University's policy regarding cheating and the use of copyrighted materials. Please visit

<http://www.dso.ufl.edu/sccr/honorcodes/honorcode.php> for more information.

NETIQUETTE: COMMUNICATION COURTESY: All members of the class are expected to follow rules of common courtesy in all forms of communication. Please visit <http://teach.ufl.edu/docs/NetiquetteGuideforOnlineCourses.pdf> to know more.

Required readings (Week 1-4):

O'Sullivan, Chapter 1, 2, 3, 4, 5, 6, & 7.

Glaeser, Edward, "Why Economists Still Like Cities," *City Journal* (Spring 1996): pp. 70-77.

John Quigley, "Urban diversity and economic growth." *Journal of economic perspectives*, Spring 1998, pp. 127-138.

Glaeser, Edward L., "Are Cities Dying?" *Journal of Economic Perspectives* 12(1998):, pp. 139-160.

Paul Krugman, "Space: the final frontier." *Journal of economic perspectives*, Spring 1998,. pp. 161-174.

Required readings (Week 4-8):

O'Sullivan, Chapter 8-17.

Cohen, M., R. Rust, S. Steen, and S. Tidd. "Willingness-to-pay for Crime Control Programs.," *Criminology* 42 (2004), pp. 89-109.

Mills, Ewin S., and Luan Sende Lubuele. "Inner Cities." *Journal of Economic Literature* 35 (1997), pp. 727-56.

Czamanski, Daniel, and Dani Broitman. "The life cycle of cities." *Habitat international* 72 (2018): 100-108.

Chouinard, Hayley, and Jeffrey M. Perloff. "Incidence of Federal and State Gasoline Taxes." *Economic Letters* 83 (2004), pp. 55-60.

Cities, Circular. "Cities of tomorrow." (2018).
 (https://www.enel.com/content/dam/enel-com/media/document/cities-of-tomorrow_en.pdf)

Kim, Yunji. "Limits of property taxes and charges: City revenue structures after the Great Recession." *Urban Affairs Review* 55, no. 1 (2019): 185-209.

*More readings will be provided as we progress.

Structure of the course:

Week 1		
	Chapter 1	
Assignment 1		Course Introduction
		Axioms of Urban Economics
		Census Definitions
Week 2-3	Microeconomics	
		Microeconomics-1
	Chapter 2	
		Why do cities exist?
		Backyard Production
		Trading Cities
		Factory Cities
		A system of processing cities
		Innovation Cities
		Decision to locate?
		Principle of Median Location
Week 4	Chapter 3	
		Importance of Intermediate Inputs
Assignment 2		Input sharing
		Cost and Benefit of clustering
		Size of clustering
		Labor Matching
		Knowledge spillover
		Localization Economies
		Urbanization Economies
		Benefits of Urban Size
Week 5-6	Microeconomics-2	

Week 7-8		
	Chapter 4	
Assignment 3		Utility and city size
		A system of cities
		Specialized and Diverse Cities
		Differences in the City Size
		Size Distribution
		Central Place Theory
		Chapter 5
		Economic Growth
		Human Capital
		Urban Labor Market
		State of U.S. manufacturing
		Note on rise of service sector
		Public Policy and Employment
		Regional Concentration in U.S.
		Regional Dispersion in U.S.
Week 9		
	Chapter 6	
		Land Rent
		Bid-Rent Curves
		Housing Prices
		Residential Bid Rent Curve
		Land Use Patten
		Consumer and Factor Substitution
Week 10	Chapter 7	
		The Spatial Distribution
		Monocentric City - Rise and Demise
		Urban Sprawl
		Monocentric Model and Applications
Week 11	Microeconomics -3	

Week 12-13		
	Chapter 8	
Assignment 4		Diversity Vs Segregation
		Local Public Goods
		Neighborhood Externalities
		All about choice
		Education and Crime and Neighborhood Choice
		Racial Segregation and the Consequences
		Chapter 12
		Education, Schools, Importance of Teachers
		Public Policy and Spending Inequalities
	Chapter 13	
		Crime and rationality
		Right amount of Crime & Crime Correction
		Legal Opportunities and Education
		Role of Prison
Week 14		
	Chapter 17 (Brief)	
		Local Public Good: Equilibrium versus Optimum
		Government Structure
		Local Government Revenue
		Property Tax
Week 15-16		Student Presentations

Disclaimer:

Subsequent changes may be made to any aspect or detail of this syllabus if and when necessary. Any changes will be announced in class as soon as practical.