

## 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 Description:**

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 (8<sup>th</sup> 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.

### **Course Objectives:**

Students completing this course should be able to:

- a) Identify the factors driving the growth and fall of cities – historically and in the present.
- b) Understand the concept of agglomeration economies.
- c) Understand the impact of policies to encourage local economic growth.
- d) Explain the evolution of urban land use patterns and density.
- e) Understand the role of government in growth of cities.
- f) Analyze the impact of different housing policies on cities growth.
- g) Understand the causes and consequences of racial and economic segregation and learn about the effectiveness of intervention.

### **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 5 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
Article Summary:	5% of the final grades (4X1.25%)
Class Participation:	10% of the final grades
Final project:	
-Final Proposal/Paper:	25% of the final grades
-Presentation:	10% 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

### **Required readings:**

O'Sullivan, Chapter 1-17.

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.

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](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 the U.S. Manufacturing	
		Note on rise of the Service Sector	
	Public Policy and Employment		
	Regional Concentration in the U.S.		
	Regional Dispersion in the U.S.		
Week 9			
	Chapter 6		
		Land Rent	
		Bid-Rent Curves	
		Housing Prices	
		Residential Bid Rent Curve	
		Land Use Patten	
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	
		Local Public Good: Equilibrium versus Optimum
		Government Structure
		Local Government Revenue
		Property Tax
Week 15-16		Student Presentations

### **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.

### **Attendance Policies:**

Excused absences must be consistent with university policies in the Graduate Catalog and require appropriate documentation. Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies. [Click here to read the university attendance policies.](#)

### **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.

### **Feedback:**

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

### **Campus Resources:**

#### Health and Wellness

##### **U Matter, We Care:**

If you or a friend is in distress, please contact [umatter@ufl.edu](mailto:umatter@ufl.edu) or 352 392-1575 so that a team member can reach out to the student.

**Counseling and Wellness Center:** [counseling.ufl.edu/cwc](http://counseling.ufl.edu/cwc), and 392-1575; and the University Police Department: 392-1111 or 9-1-1 for emergencies.

##### **Sexual Assault Recovery Services (SARS)**

Student Health Care Center, 392-1161.

**University Police Department** at 392-1111 (or 9-1-1 for emergencies), or [police.ufl.edu](http://police.ufl.edu).

#### Academic Resources

**E-learning technical support**, 352-392-4357 (select option 2) or e-mail to [Learning-support@ufl.edu](mailto:Learning-support@ufl.edu).

**Career Resource Center**, Reitz Union, 392-1601. Career assistance and counseling.

**Library Support**, Various ways to receive assistance with respect to using the libraries or finding resources.

**Teaching Center**, Broward Hall, 392-2010 or 392-6420. General study skills and tutoring.

**Writing Studio**, 302 Tigert Hall, 846-1138. Help brainstorming, formatting, and writing papers.

[Student Complaints Campus](#)

[On-Line Students Complaints](#)

**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.