



MIT Department of Urban Studies and Planning

Course 11.438

Economic Development Planning

Syllabus

Course Meetings: MW 2-3:30 9-450A

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Office hours: Mondays and Wednesdays from 11:00 am. to 1:00 pm.
Please email to set up a time if possible

Course Description:

Local and state governments have a number of tools at their disposal if they choose to proactively attract, retain, and plan for sustainable economic development. Starting with an exploration of why we plan for economic development, then moving into an overview of how government is funded in the US, this class will focus on the strategies that are commonly used to attract and retain development, and how effective they are at accomplishing goals. Each student will also be able to choose a case study to explore in depth and present to the class. The class will look at these tools and techniques through a variety of lenses, including effectiveness, equity, sustainability, and the impacts on other aspects of public finance. At the end of the class, students will understand common practices for economic development and how to calculate their effectiveness through a holistic, as well as strictly financial, lens.

This class will be structured into four units to look at local economic development planning from a few different perspectives:

- **LENSES:** How do you look at economic development? In other words, why do it? We will look at perspectives from the minimalist (Jane Jacobs) to the functionalist (Alex Marshall) to social justice and equity-focused.
- **TOOLS:** What alternatives do local governments have to plan for economic development? In other words, what are your options? We will look at local government finances, including annual budgeting and capital planning. Once we know how local government pays the bills, we will look at the tools at their disposal and how they pay for them.
- **STRATEGIES:** What are some general approaches to looking at economic development? In other words, how do you take your tools and lenses and combine them into action? We will look at approaches including business

attraction, business retention and expansion, the Buy Local movement, and workforce development.

- **CASES:** The last section of the class will look at case studies of economic development planning in the Boston region, New England, and beyond. These studies will help make the *lenses*, *tools* and *strategies* real and provide inspiration for your future work.

Class Participation:

This is a lecture and discussion course with student projects. Students should be well prepared to participate actively in class discussions and contribute actively to the work of the team. The quality of your participation will make up 15% of your final course grade.

Assignments:

Requirements and grading are as follows:

- **In-class participation** (15%). Be prepared, participate, ask questions, listen to each other, contribute to the work of the team.
- **Short Assignments** (20%). Mark Twain once famously said “I would have written less but I ran out of time.” These assignments will focus on complex issues and ask students to outline their findings and recommendations in two professional memoranda on a topic of **one page!** The responses will be graded on a $\sqrt{+}$, $\sqrt{}$, $\sqrt{-}$ scale.

You will also be asked to keep an eye on publications and research in the field, both in theory and practice, and pick five articles over the course of the semester to share via Stellar. Each week we will start the class asking a few students to share their article and explain why it was interesting to them.

- **Midterm Paper** (25%). A more academic 10 page paper on one topic related to either a LENS or a TOOL and exploring it in more detail, with at least one case study.
- **End of Semester Project** (30%). Each student will choose a topic and case study on economic development planning, and prepare a 15-20 page paper examining the tool, the case study, and the effectiveness of the effort. This project will require direct contact with the community in question to gather information and data, and cannot be done simply through on-line and academic research.
- **Final Presentation** (10%). In the final weeks of the semester, students will present their case study to the rest of the class and respond to questions.

Grading Rubric

The following grading rubric will be applied to evaluate submissions:

- I) Does it answer the question or fulfill the requested deliverable? (40%)
 - i. Does it have a clear thesis that is responsive to the question?
 - ii. Does it support this thesis with appropriate evidence?

- II) Does it incorporate concepts and methodologies from assigned readings, class discussions, and community engagement? (30%)
 - i. Does it interpret and apply the readings accurately?
 - ii. Does it respond to the information gathered in community engagement?
- III) Does it present a compelling, well-structured argument? (30%)
 - i. Does it have a logical structure that supports the development of the thesis?
 - ii. Does it engage with alternative viewpoints, counter-arguments and acknowledge weaknesses?
 - iii. Is it well supported by qualitative and quantitative data?

Grading Scale

Grades are assigned using the following scale:

A	96-100
A-	91-95
B+	86-90
B	81-85
B-	76-80
C+	71-75
C	66-70
C-	61-65
D+	56-60

Late submissions

In the event that medical or other personal circumstances arise that interfere with your ability to complete assignments on time, extension requests can be made to the Office of the Dean of Graduate Education (<http://odge.mit.edu>). If the ODGE decides that an extension is warranted, they will send a generic note that your assignment deadline should be extended without penalty. This policy is intended to preserve your privacy.

Any assignment submitted after the deadline, without a request for an extension that was approved by ODGE, will be marked down 5 points out of 100. Any assignment more than 3 hours late will be marked down a further 10 points. A further 10 points will be deducted for each day the assignment is late.

Writing help

The MIT Writing and Communication Center (WCC) offers free one-on-one professional advice from communication experts. The WCC is staffed completely by MIT lecturers. All have advanced degrees. All are experienced college classroom teachers of communication. All are published scholars and writers. WCC lecturers have a combined 130 years' worth of teaching here at MIT (ranging from 1 to 26 years).

The WCC works with undergraduates, graduate students, post-docs, faculty, staff, alumni, and spouses. The WCC helps everyone strategize about all types of academic and professional writing as well as oral presentations and slide design.

No matter what department or discipline you are in, the WCC helps you think your way more deeply into your topic, and helps you see new implications in your data, research, and ideas. The WCC also helps with non-native speaker issues, from writing and grammar to pronunciation and conversation practice. To make an appointment, go to <https://mit.mywconline.com> and register with our online scheduler. The WCC is at E18-233, 50 Ames Street.

Academic integrity

Fundamental to the academic work you do at MIT is an expectation that you will make choices that reflect integrity and responsible behavior. Honesty is the foundation of good academic work. Do trust the value of your own intellect and credit others for their work. Do not copy ideas or phrases without citing them appropriately. Do not submit projects or papers that have been written for a previous class. See <https://integrity.mit.edu/>.

Safe and Equitable Learning Environment:

MIT is dedicated to providing a safe and equitable learning environment for all students. Discrimination, sexual assault, and harassment are not tolerated by the Institute. You are encouraged to report any incidents to the Title IX Office. This is important for the safety of the whole MIT community. Violence Prevention & Response's hotline, 617-253-2300, provides 24/7 confidential support. Please visit <https://titleix.mit.edu/> for more information on reporting options and other resources.

Readings

- There is one assigned text:
 - Beer and Clower, Globalization, Planning & Local Economic Development (Routledge, 2020.)
- There are other books that are not fully assigned but may be worth owning if you can get them easily:
 - Jacobs, The Economy of Cities (Vintage, 2016)
 - Florida, The Rise of the Creative Class, Revisited (Basic Books, 2012)
 - Florida, The New Urban Crisis (Basic Books, 2017)
 - Marshall, The Surprising Design of Market Economies (University of Texas Press, 2012)
- Other readings available on reserve, Stellar, or online
- For legal cases assigned, note that you don't need to memorize everything. Just read through the case and try to understand the salient points raised and the case law set by the ruling. Feel free to look at summaries of the implications of the case once you have the basic facts down.
- For public sector applications, decisions, or plans, you should also not memorize every detail. I want you to understand how these things are applied in practice through real-world cases.

CLASS MEETINGS

February 3: *Introduction to Economic Development Planning*
Applied Theory at the Local Level

LENSES - Why and How to Interfere in the Economy?

February 5: *To Be or Not To Be*

- Jacobs, The Economy of Cities, chapters 1-3
- Marshall, The Surprising Design of Market Economies, chapters 1-8

February 10: *Traditional Approaches*

- Beer and Clower, Globalization, Planning & Local Economic Development, chapters 1-5
- Leigh and Blakley, Planning Local Economic Development, Sage, 2016, ch. 3

February 12: *Place-Based Approaches*

- Florida, The Rise of the Creative Class, Revisited, 2012, Basic Books, ch. 16
- Florida, The New Urban Crisis, 2017, Basic Books, ch. 1-7.

February 18: *Place-Based Approaches for Disadvantaged Communities*

- State of Maine Economic Development Strategy
(https://www.maine.gov/decd/sites/maine.gov.decd/files/inline-files/DECD_120919_sm.pdf)

February 19: *Class Choice Topic & Odds and Ends*

- Readings assigned by class by 2/10

PROFESSIONAL MEMO #1 DUE

TOOLS- How does Local Government Work?

February 24: *Local Government Finance Overview*

- Overton and Bland, "Exploring the Linkage between Economic Base, Revenue Growth, and Revenue Stability in Large Municipal Governments," Lincoln Institute, 2017.
https://www.lincolnst.edu/sites/default/files/pubfiles/overton_wp17mo1.pdf

February 26: *Property Taxes and Sales Taxes*

- Gates, "Residential Property Taxation in New York City," Lincoln Institute, 2019." Lincoln Institute, 2019. https://www.lincolnst.edu/sites/default/files/pubfiles/gates_wp19mg1.pdf
- Nordlinger v. Hahn, 505 U.S. 1 (1992)

March 2: *Intergovernmental Transfers/Campaign Finance*

- *State and Local Revenues Beyond the Property Tax* (Mary Edwards)
- City of Portland [ME] One Year Action Plan FY 2020 (FFY2019).
<http://www.portlandprf.com/DocumentCenter/View/25904/Action-Plan-2019>
- Narrative History of the CDBG Program in Portland
<http://www.portlandprf.com/DocumentCenter/View/20527>

March 4: *Annual Budgeting and Procurement*

- LaVecchia and Mitchell, "Amazon's Next Frontier: Your City's Purchasing," Institute for Local Self-Reliance, 2018. https://ilsr.org/wp-content/uploads/2018/07/ILSR_AmazonsNextFrontier_Final.pdf

- Town of Brookline [MA] FY2020 Budget

March 9: *Capital Improvement Planning*

- *Bonds and Borrowing* (Vicki Elmer)
https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=201410_BondsAndBorrowing2006.html
- *Ragsdale v. City of Memphis*, 70 S.W.3d 56 (2001)
- *City of Pittsburgh v. Alco Parking Corporation*, 417 U.S. 369 (1974)
- Town of Brookline [MA] Capital Improvement Plan 2020-2024.

March 11: *Tax Increment Finance/Opportunity Zones/Business Improvement Districts*

- Merriman, “Improving Tax Increment Financing (TIF) for Economic Development,” Lincoln Institute, 2018. <https://www.lincolninst.edu/system/files/pubfiles/improving-tax-increment-financing-full.pdf>
- *Citizens Advocating Responsible Environmental Solutions, Inc., v. City of Marco Island*, 959 So.2d 203 (2007)
- *City of Boca Raton v. State*, 595 So.2d 25 (1992);
- *Ehrlich v. City of Culver City*, 911 P.2d 429 (1996)

March 16: *Land Use Regulations*

- *Village of Euclid, Ohio v. Ambler Realty Co.*, 272 U.S. 365 (1926)
- *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987)
- *Dolan v. City of Tigard*, 512 U.S. 374 (1994)
- Jacobus, “Inclusionary Housing: Creating and Maintaining Equitable Communities,” Lincoln Institute, 2015. https://www.lincolninst.edu/sites/default/files/pubfiles/inclusionary-housing-full_0.pdf
- *Development Exactions: Process and Planning Issues*, Jennifer Evans-Cowley.
<http://www.impactfees.com/publications%20pdf/evans-cowley-planning.pdf>

March 18: *Fiscal Impact Analysis*

- *Fiscal Impact Analysis: Methods, Cases, and Intellectual Debate* (Zenia Kotval and John Mullin) <https://www.lincolninst.edu/sites/default/files/pubfiles/kotval-wp06zk2.pdf>
- Fiscal Impact Studies posted on Stellar

MIDTERM PAPERS DUE

-- SPRING BREAK--

STRATEGIES- Moving from Concepts to Actions

March 30: *Determining Local Advantages and Disadvantages*

- Beer and Clower, Globalization, Planning & Local Economic Development, chapter 8-9

April 1: *Buy Local – Why and How? & the Creative Class*

- Mitchell, “Monopoly Power and the Decline of Small Businesses: The Case for Restoring America’s Once Robust Antitrust Policies,” Institute for Local Self Reliance, 2016.
<https://ilsr.org/wp-content/uploads/2018/03/MonopolyPower-SmallBusiness.pdf>

- Leigh and Blakley, Planning Local Economic Development, Sage, 2016, ch. 9-11.

April 6: *Workforce Development & the “Creative Class”*

- Beer and Clower, Globalization, Planning & Local Economic Development, chapter 6
- Florida, The Rise of the Creative Class, Revisited, 2012, Basic Books, ch. 1-3

April 8: *Leveraging Economic Development for Public Policy Goals/Value Capture*

- German & Bernstein, “Land Value Capture: Tools to Finance Our Urban Future,” Lincoln Institute of Land Policy, 2018. <https://www.lincolinst.edu/publications/policy-briefs/land-value-capture>
- Willams et al, “The Economics of Inclusionary Development,” ULI, 2016, <https://uli.org/wp-content/uploads/ULI-Documents/Economics-of-Inclusionary-Zoning.pdf>
- *Cambridge Incentive Zoning and Jobs Linkage Study*. City of Cambridge, 2019. <https://www.cambridgema.gov/news/~media/69F3CEE26609432EA86CCC6C72E73C59.ashx>
- Theodos and Meixell, “How Chicago and Cook County Can Leverage Opportunity Zones for Community Benefit,” Urban Institute, 2019. https://www.urban.org/sites/default/files/publication/99586/how_chicago_and_cook_county_can_leverage_opportunity_zones_for_community_benefit_0.pdf

Guest Lecture: Anthony Flint, Lincoln Institute of Land Policy

PROFESSIONAL MEMO #2 DUE

April 13: *If you build it... The role of infrastructure & amenities*

- Marshall, chapters 9-16
- Beer and Clower, Globalization, Planning & Local Economic Development, chapter 7

April 15: *Managing Risk and Return for Investments/Loan Guarantees/Revolving Loan Funds*

- Hanson, “Taxes and Economic Development: An Update on the State of the Economics Literature,” Lincoln Institute, 2019. https://www.lincolinst.edu/sites/default/files/pubfiles/hanson_wp19ah2.pdf
- Seidman, Economic Development Finance, Sage, 2005, ch. 10.

April 22: *Coordination with Other Planning: The Role of Politics*

- Beer and Clower, Globalization, Planning & Local Economic Development, chapter 10-12
- Florida, The Rise of the Creative Class, Revisited, 2012, Basic Books, ch. 10-15

CASE STUDIES- How does this Really Work?

April 27: *Assembly Square to Assembly Row*

- Assembly Square Planning Study (City of Somerville, 2000) <http://archive.somervillema.gov/sites/default/files/documents/asps2.pdf>
- Assembly Square Urban Renewal Plan (City of Somerville, 2002) <http://archive.somervillema.gov/sites/default/files/documents/Assembly%20Square%20Revit%20Plan.pdf>
- Assembly Square Mixed Use District Zoning https://library.municode.com/ma/somerville/codes/zoning_ordinances?nodeId=ZOORSOMA_ART6ESZODI_S6.4ASSQMEDIAS

- Assembly Square Revised Site Plan and Design Guidelines (2014)
<http://archive.somervillema.gov/sites/default/files/documents/RenderedSitePlans.pdf>
<http://archive.somervillema.gov/sites/default/files/documents/DesignGuidelines.pdf>

Guest Lecture: Wig Zamore, Mystic View Task Force & Somerville Transportation Equity Partnership

April 29: *Thompsons Point*

- <https://www.thompsonspointmaine.com/>
- “Thompsons Point Turns the Corner,” *Maine Magazine* (2019)
<https://www.themainemag.com/features/thompsons-point-turns-the-corner/>
- “That’s Our Dump!,” *The Bollard* (2011) <https://thebollard.com/2011/08/09/thats-our-dump/>
- “That’s Our Dump!,” *The Bollard* (2016) <https://thebollard.com/2016/11/01/thats-our-dump-2/>
- Hublink Transit Study Final Report (2016)
<https://www.portlandmaine.gov/DocumentCenter/View/14793>

Guest Lecture: Chris Thompson, Thompsons Point developer

FINAL PROJECTS DUE

YOUR TURN

May 4: *Student Presentations*

May 6: *Student Presentations*

May 11: *Student Presentations*