University of Washington
Department of Urban Design and Planning/Evans School of Public Affairs
Spring 2012

PBAF 561/URBDP 561
Urban Economics and Public Policy

INSTRUCTOR: Professor Qing Shen
Office: 410 Gould Hall; Phone: 206-685-3937; Email: qs@uw.edu

LECTURES: Monday 6:00—8:50 PM
Classroom: 114 Gould Hall

OFFICE HOURS: Tuesday 10:00—Noon, by appointment with Krista Bargsten
Office: 410 Gould Hall; Phone: 206-685-4055; Email: bargsk3@uw.edu

Course Description
This course introduces students to the fundamentals of urban economics and offers students an opportunity to explore current urban planning and policy issues by applying the concepts and tools of urban economics. The first half of the course consists of theoretical and empirical examinations of: (1) the location decisions of firms and households and how these decisions cause the development of cities, (2) Land rent and the spatial organization of economic activities and population groups within cities, and (3) the spatial aspects of urban poverty. These topics are essential for understanding the role of market forces in the formation and evolution of cities. They also provide an intellectual basis for defining the role of planning and policy in shaping the urban future. The second half of the course explores approaches to selected urban planning and policy problems. It addresses issues related to urban transportation policy, metropolitan transportation and land use planning, and smart growth. In addition, it discusses emerging challenges and opportunities for urban planning and policy, and hence, for urban economics.

Requirements and Grading
Students will be required to complete two problem sets, a mid-term exam, and a term paper. Final grades will be weighted as follows:
- Problem Sets: 20%
- Mid-term Exam: 35%
- Term Paper: 35%
- Class Participation: 10%

All assignments must be submitted by their due dates. Mid-term exam is closed book.

Prerequisite
Successful completion of an introductory microeconomics course, or permission of the instructor.
**Required Text**


A large portion of the required readings for the course will be from this textbook. Copies of this book are available in the University Bookstore.

**Books and Readings on Reserve (in the Built Environments Library)**


Some additional readings are also on reserve in the Built Environments Library.

**Course Outline**

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<tr>
<th>Date</th>
<th>Topics</th>
<th>Assignment (due in class)</th>
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<tr>
<td>M, 3/26</td>
<td>Introduction</td>
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<td>▪ Course Overview</td>
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<tr>
<td></td>
<td>▪ Concepts of City, Urban Area, and Metropolitan Area</td>
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<td></td>
<td>▪ Why Do Cities Exist?</td>
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<td>M, 4/2</td>
<td>Firm Location Decisions</td>
<td>Assignment #1 distributed</td>
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<td>▪ Where Do Cities Develop?</td>
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<td>M, 4/9</td>
<td>Urban Growth</td>
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<td>▪ The System of Cities</td>
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<td>▪ Urban Economic Growth</td>
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<td>M, 4/16</td>
<td>Land Rent and Urban Land Use</td>
<td>Assignment #1 due</td>
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<td>▪ Land Rent and Land Use</td>
<td>Assignment #2 distributed</td>
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<td>▪ Land Use in the Monocentric City</td>
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<td>M, 4/23</td>
<td>Spatial Aspects of Urban Poverty</td>
<td>Term paper assigned</td>
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<td></td>
<td>▪ Suburbanization and Industrial Transformation</td>
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<td>▪ Neighborhood Choice, Sorting, and Segregation</td>
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<td>▪ Spatial Mismatch?</td>
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<td>M, 4/30</td>
<td>Urban Transportation</td>
<td>Assignment #2 due</td>
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<td>▪ Autos</td>
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<td>▪ Public Transit</td>
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<td>M, 5/2</td>
<td>Mid-term Exam (closed book, in class)</td>
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<td>M, 5/14</td>
<td>Integrated Transportation and Land Use Planning</td>
<td>Abstract of paper due</td>
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<td>▪ Land Use-Transportation Connection</td>
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<td>▪ Restructuring Urban Space through Planning and Policy</td>
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<td>M, 5/21</td>
<td>A New Era of Urban Economics?</td>
<td>Brief presentation of term paper ideas</td>
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<td>▪ Global Climate Change and Depletion of Fossil Fuel</td>
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<td>▪ Smart Growth and Smart Cities</td>
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<td>M, 5/28</td>
<td>No Class – University Holiday</td>
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<td>M, 6/4</td>
<td>No Class – Final Examination Week</td>
<td>Term paper due (by 5PM)</td>
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Readings

Readings that are journal articles can be located in libraries on campus. Most of the journal articles can be downloaded from online databases through the website of the university’s library. Supplementary readings may be provided later in the spring quarter.

(Note: Readings marked by ** are required.)

3/26 Introduction

** O’Sullivan, chapter 1
** O’Sullivan, chapter 2
** O’Sullivan, chapter 3
** O’Sullivan, appendix (for students who need to review microeconomics)


4/2 Firm Location Decisions

** O’Sullivan, 5th edition, chapter 4 (copy available in www.mhhe.com/osullivan7e)


4/9 Urban Growth

** O’Sullivan, chapter 4
** O’Sullivan, chapter 5


4/16 Land Rent and Urban Land Use

** O’Sullivan, chapter 6
** O’Sullivan, chapter 7


4/23  Spatial Aspects of Urban Poverty

** O’Sullivan, chapter 8


4/30  Urban Transportation

** O’Sullivan, chapter 10
** O’Sullivan, chapter 11


5/14  Integrated Transportation and Land Use Planning


A New Era of Urban Economics?


**Academic Integrity**

Students are expected to practice high standards of academic and professional honesty and integrity as required by the Student Conduct Code of the University of Washington. Visit [http://www.washington.edu/students/handbook/conduct.html](http://www.washington.edu/students/handbook/conduct.html) to find the Student Conduct Code.

**Student Safety**

Students should follow University of Washington guidelines to ensure safety on campus. For more information, go to [http://www.washington.edu/safecampus/](http://www.washington.edu/safecampus/)