

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

O'Sullivan, Arthur. 2009. *Urban Economics*. 7th edition. New York: McGraw-Hill Irwin.

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)

US Congress, Office of Technology Assessment. 1995. *The Technological Reshaping of Metropolitan America*. Washington, DC: U.S. Government Printing Office.

Hanson, S. and G. Pratt. 1995. *Gender, Work and Space*. New York: Routledge.

Glaeser, E. 2011. *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier*. New York: Penguin Press.

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

Course Outline

Date	Topics	Assignment (due in class)
M, 3/26	Introduction <ul style="list-style-type: none">▪ Course Overview▪ Concepts of City, Urban Area, and Metropolitan Area▪ Why Do Cities Exist?	
M, 4/2	Firm Location Decisions <ul style="list-style-type: none">▪ Where Do Cities Develop?	Assignment #1 distributed
M, 4/9	Urban Growth <ul style="list-style-type: none">▪ The System of Cities▪ Urban Economic Growth	
M, 4/16	Land Rent and Urban Land Use <ul style="list-style-type: none">▪ Land Rent and Land Use▪ Land Use in the Monocentric City	Assignment #1 due Assignment #2 distributed
M, 4/23	Spatial Aspects of Urban Poverty <ul style="list-style-type: none">▪ Suburbanization and Industrial Transformation▪ Neighborhood Choice, Sorting, and Segregation▪ Spatial Mismatch?	Term paper assigned
M, 4/30	Urban Transportation <ul style="list-style-type: none">▪ Autos▪ Public Transit	Assignment #2 due
M, 5/2	Mid-term Exam (closed book, in class)	
M, 5/14	Integrated Transportation and Land Use Planning <ul style="list-style-type: none">▪ Land Use-Transportation Connection▪ Restructuring Urban Space through Planning and Policy	Abstract of paper due
M, 5/21	A New Era of Urban Economics? <ul style="list-style-type: none">▪ Global Climate Change and Depletion of Fossil Fuel▪ Smart Growth and Smart Cities	Brief presentation of term paper ideas
M, 5/28	No Class – University Holiday	
M, 6/4	No Class – Final Examination Week	Term paper due (by 5PM)

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)

Quigley, John M. 1998. Urban Diversity and Economic Growth. *Journal of Economic Perspectives*, 12: 127-138.

4/2 Firm Location Decisions

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

Yeates, M. 1998. *The North American City*. New York: Longman. pp. 33-42.

4/9 Urban Growth

- ** O'Sullivan, chapter 4
- ** O'Sullivan, chapter 5

Mills, Edwin. 1972. The Size Distribution of Urban Areas. *Urban Economics*, Glenview, IL: Scott, Foresman and Co. Chapter 7, pp. 103-117.

Yeates, M. 1998. *The North American City*. New York: Longman. pp. 42-59.

4/16 Land Rent and Urban Land Use

- ** O'Sullivan, chapter 6
- ** O'Sullivan, chapter 7

** Morris, J. M., P. L. Dumble, and M. R. Wigan. 1979. Accessibility Indicators for Transportation Planning. *Transportation Research A*, 13: 91-109.

Harris, B. 2001. Accessibility: Concepts and Applications. *Journal of Transportation and Statistics*, Volume 4, No. 2/3.

http://www.bts.gov/publications/journal_of_transportation_and_statistics/volume_04_number_23/paper_02/

Li, M. and J. Brown. 1980. Micro-neighborhood Externalities and Hedonic Housing Prices. *Land Economics*, May, pp.125-141.

4/23 Spatial Aspects of Urban Poverty

** O'Sullivan, chapter 8

** Kasarda, J. 1995. "Industrial Restructuring and Changing Location of Jobs", in R. Farley, ed. *State of the Union: America in the 1990s, Volume I: Economic Trends*. New York: Russel Sage Foundation. pp. 215-267.

** Shen, Q. 2001. A Spatial Analysis of Job Openings and Access in a U.S. Metropolitan Area. *Journal of the American Planning Association*, 67: 53-68.

Holzer, H. 1991. The Spatial Mismatch Hypothesis: What Has the Evidence Shown? *Urban Studies*, 28: 105-122.

Lacombe, A. 1997. *Welfare Reform and Access to Jobs in Boston*. Washington, D.C.: Bureau of Transportation Statistics, U.S. Department of Transportation. (http://www.bts.gov/publications/welfare_reform_and_access_to_jobs_in_boston/index.html)

Mieszkowski, P and E. Mills. 1993. The Causes of Metropolitan Suburbanization. *Journal of Economic Perspectives*, 7: 135-149.

Teitz, M. B. and K. Chapple. 1998. The Causes of Inner-City Poverty: Eight Hypotheses in Search of Reality. *Cityscape*, 3: 33-70. (<http://www.huduser.org/periodicals/cityscpe/vol3num3/article3.pdf>)

4/30 Urban Transportation

** O'Sullivan, chapter 10

** O'Sullivan, chapter 11

** Jones, D. *Urban Transit Policy*. Upper Saddle River, NJ: Prentice Hall. pp. 1-27; 109-113.

Cervero, R. 1997. *Paratransit in America: Redefining Mass Transportation*. Westport, CT: Praeger. pp. 3-30.

5/14 Integrated Transportation and Land Use Planning

** Cervero, R. 1991. Congestion Relief: The Land Use Alternative. *Journal of Planning Education and Research*, 10: 119-129.

** Giuliano, G. 1995, "The Weakening Transportation-Land Use Connection", *Access*, No. 6, pp. 3-11.

** Gordon, P., H. Richardson, and M-J. Jun. 1991. The Commuting Paradox: Evidence from the Top Twenty. *Journal of the American Planning Association*, 57: 416-420.

** Bourne, L. S. 1992. Self-fulfilling Prophecies? Decentralization, Inner City Decline, and the Quality of Urban Life. *Journal of the American Planning Association* 58: 509-513.

** Newman, P. and J. Kenworthy 1992. Is There a Role for Physical Planners? *Journal of the American Planning Association* 58: 353-362.

Hanson, S. and G. Pratt. 1995. *Gender, Work and Space*. New York: Routledge. pp. 93-119.

Pan, H. X., Q. Shen, and S. Xue. 2010. Intermodal Transfer between Bicycles and Rail Transit in Shanghai, China. *Transportation Research Record*, No. 2144, pp. 181-188.

Shen, Q. 2000. Spatial and Social Dimensions of Commuting. *Journal of the American Planning Association*, 66: 68-82.

5/21 A New Era of Urban Economics?

** Nelson, A. and D. Peterman. 2000. Does Growth Management Matter? The Effect of Growth Management on Economic Performance. *Journal of Planning Education and Research*, 19: 277-85.

** Gordon, Peter and Harry Richardson. 2000. Critiquing Sprawl's Critics. *Policy Analysis*. The Cato Institute, no. 365. <http://www.cato.org/pubs/pas/pa-365es.html>

** Batty, M. 1990. Invisible Cities. *Environment and Planning B*, 17: 127-130.

** Handy, S. and P. Mokhtarian. 1996 The Future of Telecommuting. *Futures*, 28: 227-240.

Glaeser, E. 2011. *Triumph of the City*. New York: Penguin Press, Last three chapters.

Shen, Q. 2000. New Telecommunications and Residential Location Flexibility. *Environment and Planning A*, Vol. 32, No. 8, pp. 1445-1463.

US Environmental Protection Agency. Undated. *About Smart Growth*. http://www.epa.gov/smartgrowth/about_sg.htm

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> 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/>