

PUBAFRS 7531
Economic Development Policy
Autumn, 2012

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Time: Tuesday, 5:30 PM- 8:10PM
Location: Page Hall 110B
Credits: 3

COURSE DESCRIPTION

Economic Development Policy is a class that will utilize a mix of case law, public policy analysis and reviews of various legal and policy approaches used to deal with a wide range of issues facing efforts to improve the America economy at the state and local level. **Economic Development Policy** is built upon a practical approach to how economic development happens. **Economic Development Policy** will start where successful job creation begins—a good plan. The class begins with an outline of what constitutes economic development, where most economic development occurs, what theories impact economic development, a discussion of common economic development concepts such as economic cluster, input-out and shift-share analysis' and provides a review of approaches for establishing an economic development plan through the creation of goals, objectives, strategies and tactics. Next the class will outline a detailed case study about a major economic development project in “Metropolis” as this fictitious city faces real life challenges from within and around the globe.

The class will then complete its “intro phase” with a discussion of the tools economic developers use such as the public-private partnership, planning and design, development agreements, public and private economic development organizations, role of power utilities and broadband in creating jobs and wealth. After providing a basic introduction to economic development through three introductory discussions, the **Economic Development Policy** class will jump in detail with the three levels of economic development: site development; hard cost reduction and soft benefit strategies. The most basic level of economic development strategy at the state and local level is ensuring a physical site is safe, prepared and ready for development. The site development discussion will include issues such as creating sites ready for development from a safety, land use and infrastructure development standpoint. A detailed legal and policy discussion will also address issues such as gun control, code enforcement, zoning, eminent domain, tax increment financing, smart growth and annexation strategies. In addition, each of these discussions will engage students in the Metropolis case study through a series of city council debates, votes and related writing assignments that will engage the students in a series of classroom debate.

Addressing the “hard costs” of a region and state will be the next topic for **Economic Development Policy**. Issues covered will include what regions and states are doing to have a prepared workforce starting with Primary and Secondary Educational reform to workforce training for those transitioning to new professions. In addition, the class will review what economic development incentives do to retain and attract companies and will also take the class through a detailed corporate site location process that communities and companies face on a

daily basis. Next, the class will discuss what is being done to provide quality, workforce housing through both “carrots” and “sticks” created by government funding, tax credits and subsidies as well as the courts in constitutionally mandated equal housing laws. The final “hard cost” issue addressed by **Economic Development Policy** will be a discussion of methods in which the federal government is a resource for the funding of public-private partnerships.

The class will then move to a discussion of the most advanced economic development strategies implemented in America: sustainable development; technology based economic development; and globalism. This will include a discussion of how communities are embracing New Urbanism, historic preservation, and Brownfield Redevelopment all to promote growing “in” and not “out.” A detailed discussion will be included to address how states and regions are building new innovation-based, entrepreneurial friendly economies. Finally, the advanced economic development strategies discussion ends with a review of how regions and states are succeeding in the global economy through export and foreign direct investment strategies.

Economic Development Policy concludes with a discussion outlining future issues and trends in economic development that leading edge communities are just beginning to address now. Future issues include the role of higher education, multi-state regionalism, transportation public-private partnerships, green buildings, global trade with Brazil, India and China and the use of urban retraction as an economic development strategy.

COURSE GOALS AND OBJECTIVES

The class will have highly interactive sessions that will include class participation through discussing the class material, participating in advocacy drills through mock city council meetings and drafting drills through the creation of development oriented documents and policy briefs. Participation in the Metropolis case study will impact grades as will the successful completion of student’s writing assignments. The goal of this course is to provide public managers with the necessary tools to address economic development policy issues as well as projects and understand the obstacles that exist and solutions that have worked to successfully develop a region and state. As the law is often an obstacle or a solution to an economic development challenge, legal issues will be discussed during the class but always with a policy focus in mind. In addition, a prime goal of the class is to train the public policy managers in the finer skills of policy analysis, public advocacy and public sector decision making.

REQUIRED READINGS

The class will use *Economic Development from the State & Local Perspective* by David J. Robinson as the textbook created for the class.

GRADING

Assigned Course Grade

The final letter grade assigned will be based upon the traditional 10-point breakdown for each letter grade. Hence, a B+ is assigned where the earned points fall into the 86-89 range and a B, where the points fall in the 84-86 range.

Points Grade

90 - 100 A

80 - 89 B

70 - 79 C

60 - 69 D

Grade Components

Students can score a possible 100 points towards their letter grade.

Component Points Date

- 1. Class Writing Assignments 40 points
 - 2. Economic Development Policy Analysis Final Paper 30
 - 3. Class Participation 30
- Total Possible Points 100

CLASS PARTICIPATION AND ATTENDANCE POLICY

Participation is extremely important to your success and the success of this class. We will use a modified form of the “Socratic method” in which I will repeatedly ask questions of individuals to reveal the arguments and issues that are central to the issues at hand. In addition, the class is structured around a comprehensive development planned for the hypothetical “Metropolis” and many class sessions will include a City Council vote exercise with the class divided into advocates for the development, opponents of the development and City Council who must decide who is correct. This important role playing will help apply legal and policy issues to real world urban economic development issues. Everyone is busy but attendance at class is expected. Excused absences need to be approved prior to class.

WRITING ASSIGNMENTS

As there is no final exam or other tests during the class, writing assignments due at various points during the class will make up the majority of the class grade. Writing assignments will be explained in more detail during class but will include short, one page policy briefs and op-ed pieces outlining a specific topic, a more detailed set of correspondence around the corporate site location project and a final, in-depth policy paper outlining how one of the “Economic Development Solutions” discussed in class can be an effective method for dealing with challenges to regional and state economies.

CLASS OUTLINE

Homework Assignment for First Class- Read Chapters 1 and 2 of *Economic Development from the State & Local Perspective*.

Class One

Reading, Chapter 1 Planning for Economic Development, & Chapter 2 The Metropolis Case Study, *Economic Development from the State & Local Perspective*.....

- o Economic Development Planning.....
- o Economic Development Definition
- o The Real Estate Development Process
- o Theories of Economic Development
- o Economic Development Case Study: Baltimore’s Harbor Development.....
- o Economic Development Solution: Plan Toward Wealth Creation
 - Economic Cluster Analysis.....

- Measuring Economic Success for Economic Development Strategic Plan Objectives
- Shift-Share Analysis
- Input-Output Analysis.....
- A Primer on Economic Development Strategy.....
- Stages of State and Local Economic Development Strategy
- Economic Development Strategic Planning Tactics.....
- Best Practice: Sonoma County Economic Development Plan Tactics
- The Metropolis Case Study.....
 - The Case Study Process
- Class Exercise: The Metropolis Strategic Economic Development Plan

Homework Assignment for Class Two- *Written Assignment:* What economic theory do you think works? Where do you draw the line with government involvement? Should we just trust the marketplace or should government play a larger role in economic development? Write a five hundred word op-ed piece/essay on which economic theory you believe is needed to achieve wealth creation and read Chapter 3 in preparation for class.

Class Two

Reading, Chapter 3 Economic Development Toolkit, *Economic Development from the State & Local Perspective*

- Economic Development Toolkit Expert Panel
- Economic Development Tools.....
- The Role of Planning and Design
- The Development Agreement
- Economic Development Case Study: The Challenge of Public Records
- Economic Development Organizations
- Broadband as an Economic Development Tool.....

Homework Assignment for Class Three: Read Chapter 4 and, in teams assigned in class, prepare for the Metropolis case study city council debate as discussed in Chapter 4 of the book and prepare the first draft of a development agreement that the Mayor would propose in negotiations for the Metropolis Tech Expo 2020. This will only be a draft and will evolve over the life of the class.

Class Three

Reading, Chapter 4 Site Development: Safe Streets, *Economic Development from the State & Local Perspective*

- Crime and Economic Development
- Gun Control
- OHIOANS FOR CONCEALED CARRY v. CLYDE, 2008 Ohio 4605 (2008)
- Economic Development Case Study: Crime in Times Square
- Code Enforcement & Economic Development.....
- Metropolis Class Debate: Safe Streets.....

Homework Assignment for Class Four: Prepare a topic for the class final paper which should cover a topic in economic development that you believe will have the largest impact on

improving a regional and state economy and in teams assigned in class, read Chapter 5 and prepare for the Metropolis case study city council debate as discussed in Chapter 5 of the book.

Class Four

Reading, Chapter 5 Site Development: Land Use, *Economic Development from the State & Local Perspective*

- Zoning and Economic Development
- Nuisance and the Separation of Uses.....
- Zoning.....
- The Impact of Euclidian Zoning
- Variances, Special Permits, Conditional Uses.....
- Regulation of Commercial Speech
- Economic Development Solution: New Urbanism.....
- Metropolis Zoning Debate

Homework Assignment for Class Five: Read Chapter 6, in groups assigned in class, prepare for the Metropolis case study city council debate as discussed in Chapter 6 of the book, and write a one page brief of both the *Kelo* and *Norwood* court decisions in preparation for class.

Class Five

Reading, Chapter 6 Site Development: Eminent Domain, *Economic Development from the State & Local Perspective*

- Eminent Domain and Economic Development.....
- Eminent Domain Process.....
- The Lengths and Limits of Eminent Domain and Economic Development ..
- KELO v. NEW LONDON, 545 U.S. 469 (2005)
- NORWOOD v. HORNEY, 110 Ohio St. 3d 353 (2006).....
- Economic Development Solution: Net Effect of Kelo
- Metropolis Eminent Domain Debate

Homework Assignment for Class Six: Read Chapter 7, write a 500 word op-ed piece for publication in a major daily newspaper as to why smart growth matters and what is the best smart growth tactic, and, in groups assigned in class, prepare for the Metropolis case study city council debate in Chapter 7 of the book.

Class Six

Reading, Chapter 7 Site Development: Growth Policies, *Economic Development from the State & Local Perspective*

- Economic Development and Growth.....
- Economic Development Challenge: Sprawl in America
- Economic Development Case Study: Home Rule & Growth: The Colorado Model
- Annexation & Growth.....
- BAKIES v. PERRYSBURG, 108 Ohio St. 3d 361 (2006).....
- Metropolis Annexation Case Study Council Vote.....
- Smart Growth & Economic Development.....
- Ramapo Plans & Smart Growth.....
 - Regional Planning.....
 - Development Moratorium.....
 - Capital Improvement Programming
 - Infrastructure Finance
 - Impact Fees

Homework Assignment for Class Seven: Read Chapter 8, prepare a one page outline for the class final paper which should cover a topic in economic development that you believe will have the largest impact on improving a regional and state economy and in teams assigned in class, prepare for the Metropolis case study city council debate in Chapter 8 of the book.

Class Seven

Reading, Chapter 8 Site Development: Public Finance, *Economic Development from the State & Local Perspective*

- Economic Development and Public Finance
- Tax Exempt Status
- Special Assessments
- Economic Development Solution: Tax Increment Financing.....
 - BEACH-COURCHESNE v. CITY OF DIAMOND BAR, 80 Cal. App. 4th 388 (2000).....
 - JG ST. LOUIS WEST LIMITED LIABILITY COMPANY v. CITY OF DES PERES AND WEST COUNTY CENTER, LLC, 41 S.W.3d 513 (2001).....
- Metropolis City Council Debate: TIF Ordinance

Homework Assignment for Class Eight: Read Chapter 9, in groups assigned in class, prepare for the Metropolis case study city council debate in Chapter 9 of the book and prepare a one page brief of the *Milliken* court decision.

Class Eight

Reading, Chapter 9 Hard Costs: Workforce Readiness, *Economic Development from the State & Local Perspective*

- Workforce Readiness Expert Panel
- Economic Development Challenge: American Schools
- Desegregation and Economic Development
- MILLIKEN v. BRADLEY, 418 U.S. 717 (1974).....
- Economic Development Case Study: Industry Based Workforce Training .
- Metropolis Class Debate: School Choice

Homework Assignment for Class Nine: Read Chapter 10, in groups assigned in class, prepare for the Metropolis case study city council debate in Chapter 10 of the book, and draft three letters: prepare a “kick off” letter for the developer to both the state of Ohio and state of North Carolina being careful to identify what incentives you believe your client needs; and then prepare an offer of incentives from both North Carolina and Ohio back to the prospective company Metropolis is after from the state department of development based upon both state and local incentive programs based upon the class case study.

Class Nine

Readings, Chapter 10 Hard Costs: Economic Development Incentives *Economic Development from the State & Local Perspective*.....

- Economic Development & Tax Incentives
- Economic Development Solution: The Corporate Site Location Process ...
- Metropolis Corporate Site Location Case Study Writing Assignment
- Leal Challenges to Job Retention and Expansion.....
- CUNO v. DAIMLER CHRYSLER, 386 F.3d 738 (6th Cir. 2004).....
- Metropolis City Council Debate

Homework Assignment for Class Ten: Read Chapter 11, prepare a five hundred word op-ed, essay on what is the best solution to the current housing crisis, and, in groups assigned in class, prepare for the Metropolis case study city council debate on housing.

Class Ten

Readings, Chapter 11 Hard Costs: Workforce Housing, *Economic Development from the State & Local Perspective*

- The Housing Challenge Expert Panel
- Economic Development and Housing Economic Development Challenge: Subprime Mortgage Market.....
- Economic Development Solution: Housing- the Carrot and the Stick
- The Housing Marketplace: The Carrot
- Housing: The Stick
- Housing and Racial Discrimination: Mount Laurel Doctrine.....
- VILLAGE OF ARLINGTON HEIGHTS ET AL. v. METROPOLITAN HOUSING DEVELOPMENT CORP. ET AL., 429 U.S. 252 (1977).....
- SOUTHERN BURLINGTON COUNTY N.A.A.C.P. v. TOWNSHIP OF MOUNT LAUREL, 92 N.J. 158 (1983).....

Homework Assignment for Class Eleven: Read Chapter 12 and, in groups assigned in class, prepare for the Metropolis case study city council debate on foreign trade zones.

Class Eleven

Readings, Chapter 12 Hard Costs: Funding the Public-Public Partnership, *Economic Development from the State & Local Perspective*.....

- Funding Economic Development
- Federal Government & Economic Development.....
- Economic Development Solutions: Federal Funding and Tax Credits.....
- Metropolis City Council Debate: Foreign Trade Zone

Homework Assignment for Class Twelve: Read Chapter 13, prepare briefs for the *Berman* and *Penn Central* court decisions, and, in groups assigned in class, prepare for the Metropolis case study city council debate on sustainability.

Class Twelve

Chapter 13 Soft Benefits: Sustainable Development, *Economic Development from the State & Local Perspective*

- Economic Development and Sustainability
- Economic Development Challenge: The Suburban Model
- Economic Development Solution: Build Up Not Out
- Historic Preservation.....
 - *BERMAN v. PARKER*, 348 U.S. 26 (1954).....
 - *PENN CENTRAL v. NEW YORK CITY ET AL.*, 438 U.S. 104 (1978)
- Brownfield Redevelopment.....
- Metropolis City Council Debate: Sustainability

Homework Assignment for Class Thirteen: Read Chapter 14 and, in groups assigned in class, prepare for the Metropolis case study city council debate on the venture capital fund and work on Final Paper--an in depth policy and legal analysis outlining the strengths and weaknesses of a specific regional and state economic development solution based upon the assigned class material and independent research.

Class Thirteen

Readings, Chapter 14 Soft Benefits: Technology Based Economic Development, *Economic Development from the State & Local Perspective*.....

- Tech Based Economic Development Expert Panel
- Technology Based Economic Development.....
- Economic Development Solution: Entrepreneurship.....
 - Patents, Licensing & Universities as Economic Engines
- Research Parks.....
- Capital Access.....
- Metropolis City Council Debate: Venture Capital Fund

Homework Assignment for Class Fourteen: Read Chapter 15, in groups assigned in class, prepare for the Metropolis case study city council debate on the venture capital fund, and work on Final Paper--an in depth policy and legal analysis outlining the strengths and weaknesses of a

specific regional and state economic development solution based upon the assigned class material and independent research. .

Class Fourteen

Readings, Chapter 15 Globalism, *Economic Development from the State & Local Perspective*

- Globalism & Economic Development
- Exports as Economic Development
- Economic Development Case Study: Wichita & Aviation
- Globalism and Gardening
- Metropolis City Council Debate: Globalism
- Foreign Direct Investment and Economic Development
- Economic Development Case Study: BMW & South Carolina

Homework Assignment for Class Fifteen: Read Chapter 16, and work on Final Paper--an in depth policy and legal analysis outlining the strengths and weaknesses of a specific regional and state economic development solution based upon the assigned class material and independent research. .

Class 15

Readings, Chapter 16 *The Future of Economic Development, Economic Development from the State & Local Perspective*

- Trends in Economic Development
- Economic Development Solution: People, Infrastructure & Global Markets
- Higher Education and The Economy
- Multi-State Regionalism
- Transportation Public-Private Partnerships
- Green Buildings
- BIC Inbound Investment
- Retraction Model & Other Emerging Smart Growth Tools
- Economic Development Case Study: Retraction Model
- Transferable Development Rights
- Greenspace Protection
- Transit-Oriented Development

Final Homework Assignment for Class Fifteen: Final Paper Due: An in depth policy and legal analysis will be due outlining the strengths and weaknesses of a specific regional and state economic development solution based upon the assigned class material and independent research.

ACADEMIC INTEGRITY (ACADEMIC MISCONDUCT)

From: <http://oaa.osu.edu/coamfaqs.html#academicmisconductstatement>

The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty.

Failure to follow the rules and guidelines established in the University's Code of Student Conduct may constitute "Academic Misconduct." Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. In the Ohio State University's Code of Student Conduct, Section 3335-23-04 defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct.

Other sources of information on academic misconduct (integrity) to which you can refer include:
The Committee on Academic Misconduct web page: <http://oaa.osu.edu/coam.html>
Ten Suggestions for Preserving Academic Integrity: <http://oaa.osu.edu/coamtensuggestions.html>
Eight Cardinal Rules of Academic Integrity: www.northwestern.edu/uacc/8cards.html

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Disability Policy

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.