CRP 523: Economic Analysis and the Financing and Evaluation of Public Projects  
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My web site:  
http://www.econ.iastate.edu/prosci/swenson/swensonpage.htm

Course Description
This course will help planning graduate planning students
• understand traditional urban economic structures and their spatial characteristics,
• learn and measure the processes of economic change,
• discern among policy mechanisms for inducing economic activity and facilitating community settlement, and
• evaluate public spending choices.

The course will have three very distinct sections:

The first – understanding the urban economy and its content – explores the development and the structure of urban systems, large and small, and the practical and theoretical foundations for their growth and their decline. You will learn basic techniques for assessing the industrial and commercial performance of regions, to include trade area analysis, the use of location quotients, shift-share analysis, and the analytic foundations of economic base theory and practice. This section will also include an introduction to input-output industrial accounting basics as they apply to understanding regional economic structures and planning for economic change.

Section two of this course will be an introduction to the elements of local government structure and finance, the roles of government in supporting habitation and economic growth through planning and capital investment strategies, along with emerging and, perhaps controversial, public project investment strategies and techniques designed to boost economic growth.

Part three of this course will concentrate on evaluation tools for assessing government program performance. Chief among these will be an introduction to the theories and the methods of benefit-cost assessment as well as other important mechanisms for determining the effectiveness of public spending and program or project evaluation.

Readings:


A reading packet is required for the course. This is a compilation of chapters from 4 sources. The packet will be available at the ISU Memorial Union Bookstore.


All other readings will be distributed in class or made available on the course web-site.

Other Course Information

Attendance and Class Participation: This is important! Five percent of your grade will be determined by your attendance at class, overall class participation, that you stay awake or are at least seemingly alert during class, and that your mobile telephone does not ring during class. I expect students to question me, question other students during class discussion, and to otherwise be fully engaged during class.

Data and Assignments: I will make all data pertinent to assignments and all assignments available on the class web site. You will be responsible for downloading the assignments and storing them on your own personal storage media. You are also responsible for maintaining backups of all of your work: “the computer ate my homework” or “I forgot to save it” is not an acceptable excuse under any circumstance.

Late work: I am highly intolerant of late work. A 10 percent reduction will be assessed for each class period lapsed up to a maximum loss of 30 points. Students can turn in late assignments or papers up until the last class period of the session (realizing that late assignments will still be docked 30 points). Lateness due to personal/close family illness, family emergency, or for other compelling reasons will, however, be excused.

Students will notice that homework and two short project papers constitute 55 percent of their grade and that tests and my subjective evaluation of your attendance and participation account for 45 percent.

Evaluation:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Tests: Midterm and final</td>
<td>40</td>
</tr>
<tr>
<td>Two short project papers</td>
<td>25</td>
</tr>
<tr>
<td>All homework</td>
<td>30</td>
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<tr>
<td>Classroom participation, attendance, etc.</td>
<td>5</td>
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</tbody>
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100 points

Academic Dishonesty: Academic honesty or the issue of plagiarism is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person’s work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences that range from probation to expulsion. If you have doubts about plagiarism, paraphrasing, quoting, or collaboration, consult me prior to submitting your work.
ADA: If you need accommodations because of a disability, if you have emergency medical information to share with me, or any other special needs please inform me immediately. Please see me privately after class, or at my office.

General Course Outline

Understanding and Measuring the Urban Economy

1. Basics of the urban or regional economy.
   History and evolution
   Determinants of structure and function
   Spatial dynamics
   Location theories
   Central place
   Distortions

2. Regional economic analysis
   Structure of an urban or regional economy
   Sizes and thresholds
   Area trade analyses – Pull factors
   Location quotients and export employment
   Shift-share analysis and interpretation
   The elements of economic base theory
   (Assignments: trade analysis, location quotients, shift-share, simple economic base applications – 10 points).

3. Regional industry and labor structures
   Inter-industrial transactions
   Input-output analysis and interpretation
   Elements of economic impact analysis – a base theory approach
   Labor markets, labor force participation and mobility
   Place of work/place of residence: commuting

4. The modern economy: What’s hot, what’s not
   (Paper: jobs, industries, rural v urban, migration, commuting, occupations, labor force, critical demographics, cities, small areas – 15 points)
   Elements of economic change
   Rural and urban differences
   Industrial shifts
   Occupational trends
   Issues for workers and for regions.

   [Midterm – 20 points]

   Local Governments, Finance, and Community Development

5. Primer on local governments
   Governmental hierarchies
Distributional and functional differences
Powers and limits
Tiebaut

   Sources and characteristics of public funding mechanisms for local
governments
   - Intergovernmental resources
   - Own-source resources
Capital financing basics
   - Interest, inflation, and discount rates
   - Bonding, pay-as-you-go, capital improvement funding
   (Assignments: time value of money analysis, tax-rate impacts of
   funding decisions – 10 points)

7. Stimulating the economy
   Traditional roles of governments and local institutions
   Emerging trends and rationales
   Strategies for inducing growth
   State and local roles
   Tax-based incentives
   Fairness and effectiveness

8. Controversies and cautions
   Rules for public involvement
   Oversight and monitoring
   Asymmetrical decision structures – cities, prospects, and tax payers
   Inter-state and Inter-community competition – case studies
   To subsidize or not to subsidize, that is the question
   (Role-playing: facilitated discussions)
   (Small paper: 5 pages for or against an economic development scenario
   – 10 points)

9. Evaluating public projects
   The concepts of welfare economics
   Market failures and the roles of government
   Ability and authority of government to influence market decisions
   Introduction to benefit cost analysis
   Applied benefit cost assessment
   Cost-effectiveness analysis
   Issues associated with evaluating public spending on the economy
   Fiscal impacts
   (Assignments: benefit costs assessment, cost-effectiveness assessment
   examples – 10 points)
   [Final exam – 20 points]