Local jurisdictions confront a number of crucial issues as they work to plan for and manage urban growth and change. As urban economies evolve ever more rapidly, how should local governments consider, plan for, and assess investments in public services and facilities to support urban development? This course provides students with a conceptual framework for considering such investments as well as practical knowledge, tools, and techniques for delivering public services, facilities, and projects. The class will focus on urban regions and local and state governments, while also addressing the role of federal policy and finance in specific areas of state and local finance. The learning process in the class will focus on the application of theoretical concepts to urban planning problems and questions.

The first part of the course reviews theories of urban growth. How can we understand and explain the dynamics underlying where, why, and how cities grow and decline? In the second section, we examine theories delineating the role of the public sector in advanced market economies. The third part of the course introduces the processes and practices of public sector budgeting, from needs assessment to budget formulation to management. In the fourth section, the class will study the menu of revenue sources used to support municipal expenditures and the characteristics of those revenue mechanisms. It will also study how the balance of resources and burdens are shared and shifted among different levels of government in the U.S. system of fiscal federalism. The fifth section focuses explicitly on the planning and financing of capital/infrastructure improvements and on the debt finance instruments available to local governments for supporting capital improvements. In the final course segment, we will study value capture as an approach to support investment in urban infrastructure and facilities. Under what circumstances can value capture provide an attractive way to finance improvements otherwise beyond the reach of local jurisdictions and under what circumstances might value capture lead to unintended and potentially inequitable consequences?
COURSE OBJECTIVES FOR STUDENTS:

1. Understand, articulate, and appraise the economic and social factors that have shaped and continue to shape urban and regional growth and development.
2. Critically evaluate theories explaining the size and scope of government activities in an advanced market economy.
3. Analyze the distribution of city services and capital investments with respect to social justice, considering the contours of class, race, and ethnicity in urban regions.
4. Understand, explore, and compare local government budgeting and performance measurement practices.
5. Identify and defend the use of different revenue sources used by local jurisdictions.
6. Articulate the options for financing capital facilities and improvements; apply standard calculations to evaluate them; and identify the circumstances under which different options are appropriate.
7. Develop writing and computational skills needed to communicate the economic and social implications of different approaches to supporting public investments.

STUDENT PERFORMANCE

COURSE REQUIREMENTS: Students are expected to do all assigned readings and participate in class discussions. Students will be evaluated as follows:

1. Four class assignments - 40% of final grade (each assignment 10%).
2. Midterm exam - (10 typed pages) - 25% of final grade.
3. Final exam (10 typed pages) - 25% of final grade.
4. Class participation - 10% of final grade.

COURSE GRADING: Evaluation of course work will follow the plus minus/system of class grading. Individual assignments and the final course grade will follow the scale outlined below:

<table>
<thead>
<tr>
<th>Points</th>
<th>Grade</th>
<th>Grade Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-94</td>
<td>A</td>
<td>76-74</td>
</tr>
<tr>
<td>93-90</td>
<td>A-</td>
<td>73-70</td>
</tr>
<tr>
<td>89-87</td>
<td>B+</td>
<td>69-67</td>
</tr>
<tr>
<td>86-84</td>
<td>B</td>
<td>66-64</td>
</tr>
<tr>
<td>83-80</td>
<td>B-</td>
<td>63-60</td>
</tr>
<tr>
<td>79-77</td>
<td>C+</td>
<td>59 or below</td>
</tr>
</tbody>
</table>

ATTENDANCE POLICY: Students are expected to attend all class sessions. Exceptions to this rule include religious holidays/observances and involuntary absences due to illness or family emergencies. In all cases, the responsibility for informing the instructor and making up missed work rests solely with the student.

LATE ASSIGNMENTS: Students are expected to turn in required assignments on the date due at the start of class. Late assignments will not be accepted without a penalty: one grade point for each day an assignment is late.

TURNITIN: Students should be aware that all required writing assignments will be submitted to both Canvas and in person. All Canvas assignments will be reviewed by Turnitin, a plagiarism-detection tool. Turnitin is a software resource intended to address plagiarism and improper citation. The software works by cross-referencing submitted materials with an archived database of journals, essay, newspaper articles, books, and other published work. In addition, other methods may be used to determine the originality of the paper. This software is not intended to replace or substitute for the faculty member's judgement regarding the detection of plagiarism.
## CRP 380F-03 Public Economics & Finance – Course Schedule Overview

<table>
<thead>
<tr>
<th>Class</th>
<th>Day</th>
<th>Assignments</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wed</td>
<td>My City</td>
<td>Course Overview/ Introduction to Urban Economics</td>
</tr>
<tr>
<td></td>
<td>Mon</td>
<td></td>
<td>No Class. Labor Day.</td>
</tr>
<tr>
<td>2</td>
<td>Wed</td>
<td></td>
<td>PART 1: Basic Principles of Urban Economics</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The Origin &amp; Location of Cities: Interregional Theory, Old &amp; New</td>
</tr>
<tr>
<td>3</td>
<td>Mon</td>
<td></td>
<td>Inter-regional Location Patterns</td>
</tr>
<tr>
<td>4</td>
<td>Wed</td>
<td></td>
<td>Intra-regional Location Patterns</td>
</tr>
<tr>
<td>5</td>
<td>Mon</td>
<td></td>
<td>Zoning &amp; Discrimination in Intra-regional Location</td>
</tr>
<tr>
<td>6</td>
<td>Wed</td>
<td>Asgn. #1 distributed</td>
<td>Population Shifts / Demographic Shifts</td>
</tr>
<tr>
<td>7</td>
<td>Mon</td>
<td></td>
<td>PART 2: Basic Principles of Public Goods and Public Sector Action</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The Market and the Public Sector in Advanced Market Economies</td>
</tr>
<tr>
<td>8</td>
<td>Wed</td>
<td>Asgn. #1 due</td>
<td>Theories of Distributive Justice</td>
</tr>
<tr>
<td>9</td>
<td>Mon</td>
<td></td>
<td>The Market and the Public Sector in Advanced Market Economies</td>
</tr>
<tr>
<td>10</td>
<td>Wed</td>
<td>Asgn. #2 distributed</td>
<td>The Market and the Public Sector in Advanced Market Economies</td>
</tr>
<tr>
<td>11</td>
<td>Mon</td>
<td></td>
<td>PART 3: Operating Budgets: Processes and Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public Expenditures &amp; the Budget Process</td>
</tr>
<tr>
<td>12</td>
<td>Wed</td>
<td>Asgn. #2 due</td>
<td>Budget Methods and Practices</td>
</tr>
<tr>
<td>13</td>
<td>Mon</td>
<td></td>
<td>Line Item Budgeting; Austin City Budget</td>
</tr>
<tr>
<td>14</td>
<td>Wed</td>
<td></td>
<td>Alternative Budgeting Frameworks</td>
</tr>
<tr>
<td>15</td>
<td>Mon</td>
<td></td>
<td>PART 4: Tax Sources and Revenue Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Principles of Taxation</td>
</tr>
<tr>
<td>16</td>
<td>Wed</td>
<td></td>
<td>Revenue Sources for State and Local Government</td>
</tr>
<tr>
<td>17</td>
<td>Mon</td>
<td>Asgn. #3 distributed</td>
<td>Revenue Sources for State and Local Government</td>
</tr>
<tr>
<td>18</td>
<td>Wed</td>
<td>Asgn. #3 due Mid-term distributed</td>
<td>Capital Budgeting and Project Evaluation</td>
</tr>
<tr>
<td>19</td>
<td>Mon</td>
<td></td>
<td>PART 5: Capital Budgeting and Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Capital Budgeting Introduction and Process</td>
</tr>
<tr>
<td>20</td>
<td>Wed</td>
<td></td>
<td>Mid-term distributed</td>
</tr>
<tr>
<td>21</td>
<td>Mon</td>
<td>Mid-term exam due</td>
<td>Pay-as-You-Go Approaches</td>
</tr>
<tr>
<td>22</td>
<td>Wed</td>
<td></td>
<td>Debt Financing: Introduction to Bonds</td>
</tr>
<tr>
<td>23</td>
<td>Mon</td>
<td></td>
<td>Bond Pricing</td>
</tr>
<tr>
<td>24</td>
<td>Wed</td>
<td></td>
<td>No Class. Thanksgiving Break.</td>
</tr>
<tr>
<td>25</td>
<td>Mon</td>
<td>Asgn. #4 distributed</td>
<td>PART 6: Value Capture Tools for Local Infrastructure Finance</td>
</tr>
<tr>
<td>26</td>
<td>Mon</td>
<td></td>
<td>Value Capture Principles &amp; Mechanics</td>
</tr>
<tr>
<td>27</td>
<td>Wed</td>
<td>Asgn. #4 due</td>
<td>Applications – Tax Increment Finance</td>
</tr>
<tr>
<td>28</td>
<td>Mon</td>
<td>Final exam distributed</td>
<td>Value Capture in Texas &amp; Austin</td>
</tr>
<tr>
<td></td>
<td>Mon</td>
<td>Final exam due</td>
<td>Final Class: Enduring and Emerging Challenges for Local Government</td>
</tr>
</tbody>
</table>
REQUIRED READINGS


2. Reserve readings on Canvas [http://canvas.utexas.edu] and by internet download. On Canvas, please find assigned and supplemental readings under the course number or instructor. Readings that are available via direct internet download have a URL listed after them. Other readings are available in .pdf from Canvas, listed in alphabetical order by author last name (or organization name) under the appropriate sections 1-6.

USEFUL SUPPLEMENTARY WEBSITES FOR THE CLASS:

- Brookings Metropolitan Policy Program -- https://www.brookings.edu/program/metropolitan-policy-program/
- Lincoln Institute of Land Policy -- http://www.lincolninst.edu/
- Urban Land Institute -- http://uli.org/research/
- International City County Management Association (ICMA) -- http://icma.org/en/icma/home

INTRODUCTION

1 - Course Overview & Introduction to Urban Economics

Assigned Readings

http://www.mckinsey.com/insights/urbanization/us_cities_in_the_global_economy  
(Executive Summary and Sections 1 & 2; Skim Sections 3-4).


City Lab 2014, “Two Very Different Types of Migrations Are Driving Growth in U.S. Cities,”  
http://www.citylab.com/politics/2014/04/2-very-different-migrations-driving-growth-us-cities/8873/

Additional Readings of Interest:


(Mon) – No class – Labor Day
PART 1 – BASIC PRINCIPLES OF URBAN ECONOMICS

(Wed) – The Origin & Location of Cities: Interregional Theory, Old & New

Assigned Readings


Additional Readings of Interest


(Mon) – Inter-regional Location Patterns

Assigned Readings


Additional Readings of Interest


**(Wed) - Intra-regional Location Patterns**

**Assigned Readings**


**Additional Readings of Interest**

Center for Neighborhood Technology, (H+T Index) [http://htaindex.cnt.org/](http://htaindex.cnt.org/)

**(Mon) – Zoning & Discrimination in Intra-regional Location Patterns**

**Assigned Readings**


**Additional Readings of Interest**


(Or, listen to the audio version: [https://soundcloud.com/user-154380542/the-case-for-reparations-the-atlantic-ta-nehisi-coates](https://soundcloud.com/user-154380542/the-case-for-reparations-the-atlantic-ta-nehisi-coates))


**(Wed) - Population Shifts / Demographic Shifts**

**Assignment #1 - Principles of Urban Economics - Distributed Sept. 19**

**Assigned Readings**

Myers D. (2016). Peak Millennials: Three reinforcing cycles that amplify the rise and fall of urban concentration by millennials,” *Housing Policy Debate*. [Canvas].


Kolko, J. (2015). No, Suburbs Aren't All the Same. The Suburbiest Ones Are Growing Fastest. http://www.citylab.com/housing/2015/02/no‐suburbs‐arent‐all‐the‐same‐the‐suburbiest‐ones‐are‐growing‐fastest/385183/

Additional Readings of Interest


PART 2 – BASIC PRINCIPLES OF PUBLIC GOODS AND PUBLIC SECTOR ACTION

(Mon) – The Market and the Public Sector in Advanced Market Economies

Assigned Readings


Watch Michael Sandel, Harvard Justice Series:

Episode 3 http://www.justiceharvard.org/2011/02/episode‐three/

Additional Readings of Interest


(Wed) – Theories of Distributive Justice

Assignment #1 - Principles of Urban Economics – Due in Class Today, Sept. 26

Assigned Readings

Episode 8 http://www.justiceharvard.org/2011/02/episode-08/

(Mon) - The Market and the Public Sector in Advanced Market Economies

Assigned Readings


Additional Readings of Interest


(Wed) - The Market and the Public Sector in Advanced Market Economies

Assignment #2 – Public Sector Theory and Methods - Distributed Oct. 3

Assigned Readings


PART 3 - OPERATING BUDGETS: PROCESSES AND MANAGEMENT

(Mon) – Public Expenditures & the Budget Process

Assigned Readings


(Wed - Budget Methods and Practices

Assignment #2 – Public Sector Theory and Methods - Due in Class Today, Oct. 10

Assigned Readings


(Mon) – Line Item Budgeting; Austin City Budget

Assigned Readings

City of Austin Budget Documents:  
[https://www.austintexas.gov/financeonline/afo_content.cfm?s=1](https://www.austintexas.gov/financeonline/afo_content.cfm?s=1)


Additional Readings of Interest

Findell, E. (August 06, 2018) “Proposed Austin budget increases taxes, but less than it did last year.” *Austin American Statesman.*  
(Wed) – Alternative Budgeting Frameworks

Assigned Readings


Additional Readings of Interest


PART 4 – TAX SOURCES AND REVENUE MANAGEMENT

(Mon) – Principles of Taxation

Assigned Readings


(Wed) Oct. 24 - Revenue Sources for State and Local Government

Assigned Readings


Assignment #3 – State Budget Proposal Assignment - Distributed Oct. 29

Assigned Readings


Brookings Institution - County Property Tax Interactive -
http://www.brookings.edu/research/interactives/2013/county-property-taxes-map

PART 5 – CAPITAL BUDGETING AND FINANCE

(Wed) Oct. 31 - Capital Budgeting Introduction and Process

Assigned Readings


Additional Readings of Interest


(Mon) - Capital Budgeting and Project Evaluation

**Assignment #3 – State Budget Proposal Assignment - Due in Class Today, Nov. 5**

**Midterm Exam - Distributed Nov. 5**

**Assigned Readings**


**(Wed) - Pay-as-You-Go Financing**

**Assigned Readings**


**(Mon)– Pay-as-You-Go Approaches**

**Midterm Exam - Due in Class Today, Nov. 12**

**Assigned Readings**


**Additional Readings of Interest**


**(Wed) - Debt Financing: Introduction to Bonds**

**Assigned Readings**

Mon) – Bond Pricing

Assigned Readings


(Wed) Nov. 23 – No class – Thanksgiving Break

PART 6 – VALUE CAPTURE TOOLS FOR LOCAL INFRASTRUCTURE FINANCE

(Mon) – Value Capture Principles & Mechanics

Assignment #4 – Value Capture for Project Connect - Distributed Nov. 26

Assigned Readings


(Wed) – Applications – Tax Increment Finance

Assigned Readings


(Mon) – Value Capture in Texas & Austin

Assigned Readings


Texas A&M Transportation Institute. (2016). Transportation Reinvestment Zones: Texas legislative history and implementation. [Canvas]
Assignment #4 – Value Capture for Project Connect - Due in Class Today, Dec. 5

Assigned Readings


Final Exam – Distributed Dec. 10

***Please bring a laptop or internet-enabled device to class on this last day for course instructor survey. ***

Final Exam – Due Monday, Dec. 17