

**UNIVERSITY OF GEORGIA
DEPARTMENT OF ECONOMICS**

DAVID R. AGRAWAL
Call #17187

ECONOMICS 4850
URBAN ECONOMICS

WINTER 2013
Caldwell 203: MWF 1:25 -
2:15

OFFICE: 527 Brooks Hall

EMAIL: dagrawal@uga.edu (must include "Econ 4850" in subject line to guarantee reply)

TELEPHONE: 706-542-3688 (Economics Department Office: 706-542-1311)

OFFICE HOURS: Wednesday 3:30-5:30 or by appointment if you are not free then

WEBPAGE: <http://dagrawal.myweb.uga.edu/>

NATURE OF SYLLABUS: The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

COURSE DESCRIPTION: From the University Catalog – Intensive study relating to a central theme of special interest in the field of Economics. Prerequisite: Econ 4010.

COURSE OBJECTIVES: The course considers the economics of urban and regional markets with an emphasis on location decisions of people and firms, growth and development of cities, optimal city size, transportation, housing markets, social problems, amenities, and quality of life. Public regulation and spending – including land use regulation, taxation, and local public services – will be studied from the perspective of local governments. Students will have the opportunity to use the tools of microeconomics to explain a variety of local economic phenomena; incorporate geography, maps, and spatial analysis into an economics class; apply the principles of the class to analyze real local policies and urban problems faced by specific cities around the world; and ponder why some people believe cities are our greatest invention.

TEXTBOOKS AND READINGS: The texts for the class are *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, Happier* (first edition, Penguin, 2012) by Edward Glaeser and *Urban Economics and Real Estate: Theory and Policy* (second edition, Wiley, 2011) by John McDonald and Daniel McMillen. Almost all chapters of the books are assigned and you should have access to a copy of each. If you elect to purchase an older edition of the McDonald and McMillen book, it is your responsibility to make sure you are reading the correct chapters and doing the correct assignments and I cannot help you with this. Textbooks are on reserve at the library.

To allow us to address some topics in greater detail, additional readings – including newspaper articles and academic journal articles – will be assigned and will be made available online through the course webpage. These articles are important to highlight current policy debates and additional materials not covered in the texts. The materials in these readings are fair game for examinations and should be regarded as equal to the text in importance.

GRADES: Grades for the class will be assigned based on the following information and will be determined based on your rank ordered position within the class. The class will feature homework assignments, midterms and a final, and a term paper, each of which are described in detail below. In addition, you have the opportunity to get extra points through “the boost.” Examinations earlier in the course are given less weight so that you can become familiar with my teaching and evaluation methods.

Requirement	% of Final Grade
Homework	4%
Midterm 1	20%
Midterm 2	21%
Final Exam	35%
Paper	20%

HOMEWORK: Homework problems will be assigned almost every week following Friday’s class. Homework will be “due” in class on the following Friday. Not every homework will be collected. I will collect three assignments randomly during the semester at the start of, during the middle of, or at the end of class on Friday. You must be present in class when the homework is collected to turn it in for a grade. Of the three randomly collected homework assignments, your two best assignments will count for your final course grade. This means that if you miss one class when homework is collected because of illness or an emergency, you do not need to worry because that homework will be dropped. There are no additional makeups if you miss two classes. Homework is graded on a 0, 1, or 2 point scale. While some attention will be paid to the accuracy of your answers, most of your grade will be based on effort. In general, you will receive a 2 if you put in an excellent amount of effort as evidenced by the neatness, level of detail to the work, and attempt of all parts of all problems. A score of 1 will be awarded if the effort is satisfactory. A score of 0 will be awarded if your write up is unsatisfactory or if you do not turn in solutions. If you do not staple your work, you will receive a score of 0.

Feel free to work together on homework. Each student is required to write up and submit *independent* answer sheets. This means that word-for-word copies will *not* be accepted and will be viewed as academic dishonesty. If you work with other students, you must list the students in your study group at the top of your assignment. Failure to do so will merit a score of 0.

EXAMS: Exams will be given in class on the days 2/25 and 4/19. The second midterm test will focus on newer material. The tests will cover the material presented in class up

to and including the class preceding the exam, along with all homework assignments and all assigned readings. The final exam will be given on May 3 from 12:00-3:00. The final exam will be cumulative and will give equal weight to all material.

A student who misses a test without making prior arrangements will receive a grade of zero on that exam. No makeups will be given for the midterm examinations. If you have a conflict with an exam date that you already know about, you should contact me immediately and consider dropping the class. Exam absences will only be excused in the case of a documented extreme illness or a documented family emergency and only if you contact me *prior to the exam*. If you have a midterm examination excused, additional weight will be given to other course components. If you miss your final exam for an excused reason, you will take an oral examination with the instructor. If you miss the final exam for an unexcused reason, you will receive an "F" in the course. Depending upon why you missed a midterm or final exam, you may receive a zero on the exam even if the instructor receives an email from you prior to the exam; an exam is not considered excused until the instructor receives all documentation and notifies you of the decision to excuse the exam or not.

PAPER: You will be required to write a (roughly) 5 page research paper in which you analyze a current urban economics policy issue. More detailed information about this assignment will be provided after the first midterm examination. The paper is due on the last day that class meets prior to the exam. No late papers will be accepted. If you are worried about missing the last class, you can always turn the paper in early. I am happy to discuss your paper with you during the semester. In order to encourage you to begin work on your paper early, I will not discuss paper in person or via email after 4/12.

THE "BOOST": If you are worried about your progress in the course, you have the opportunity to get extra credit in the course through additional and *significant* effort. Students who have received a score of zero on more than one graded homework assignments, who get penalized for non-attendance, and students who do not complete the letter of introduction are ineligible for the boost. At most, the boost can raise your grade by 1/3 of a letter (for example, from a C+ to a B-). The boost will only be added in after final grades are calculated, so not doing this will have no effect on your final grade. Simply completing the boost does not guarantee a boost; I must deem the work to be of satisfactory quality for you to receive it.

To complete the boost you must propose and complete an individual project that requires you to learn ArcGIS. ArcGIS is a mapping software program that allows you to visualize data on maps. ArcGIS will not be taught in this class, but there are a number of great resources that will help you learn the software. The boost is designed to reward you for your individual effort learning this outside of class. If you want to do this, I have obtained free student licenses of ArcGIS for you that can be installed on your personal computer. To complete the boost you must propose a topic that you want to analyze geo-spatially after the first midterm. You will then make maps and do computations in ArcGIS that provide spatial evidence on your topic. More information will be posted.

LETTER OF INTRODUCTION: For the third lecture, please write a one-page letter of introduction of yourself to the instructor. Include your name and anything about yourself that you would like to share. If you have an extra actual or digital photo of yourself, attaching it to your letter will help the instructor learn your name. Your letter of introduction must be typed. It will not be graded nor returned, but is required to make yourself eligible for the boost. In addition to completing the letter of introduction, please upload a photo of yourself to elc (click: my settings > edit profile). You can upload a photo by clicking browse and checking the box “public.”

RE-GRADE POLICY: If you believe your work was graded incorrectly, you must inform me in *writing* (not via email) and must attach the assignment within one week of the assignment being returned to the class. I will re-grade the entire assignment. It is possible for your grade to either rise or fall as a result.

ATTENDANCE: As a matter of course policy, I will generally not take attendance. If attendance is lagging during the semester, I reserve the right to randomly take attendance and to adjust your final grade on this basis. However, attendance will be vital to learning the material and achieving the course objectives. If you miss class, it will be your responsibility to get information from your classmates about what was covered during the lecture. You should not inform me if you miss class unless an emergency merits you miss many classes. UGA academic regulations authorize a professor to withdraw students with excessive absences and I will exercise that authority.

ACCOMMODATIONS: If you require a university authorized accommodation, you must see me immediately and provide documentation before the end of January.

ACADEMIC HONESTY: As a University of Georgia student, you have agreed to abide by the University’s academic honesty policy, “A Culture of Honesty,” and the Student Honor Code. All academic work must meet the standards described in “A Culture of Honesty” found at: www.uga.edu/honesty. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor. Cases of cheating on exams or papers will result in a final grade of F being assigned for the course and the incident will be reported to university officials.

ELECTRONICS: Cell phones and laptops must be turned off and put away from sight during class. Laptops may not be used in class unless you receive explicit permission from me. If you are caught using a cell phone or laptop in class you must make arrangements with me to write an additional paper that will be part of your course grade. You are responsible for maintaining and checking your University email account on a daily basis. Please use your university account for your academic correspondence to me.

SCHEDULE: The following list indicates when we will cover various topics. All listed readings are required and additional required readings will be provided online. Specific

topics may run earlier or later, depending on lectures. **MM** stands for the McDonald and McMillen text and **G** stands for the Glaeser text. Notes means that lecture notes are the main source. Most of the Glaeser readings do not correspond to that particular day's materials as each chapter encompasses many topics. Thus, you should view the schedule of Glaeser readings as your guide to completing the text. Finishing the Glaeser text early will enhance your learning in this class.

Day	Lecture	Reading	Notes
1/7-9	Introduction	MM1, MM2, GIntro	syllabus
1/9-11	Microeconomics & Statistics	MMAppendix, MM3	
1/14-16	Location Theory	MM4	
1/16-18	Economic Functions of Cities	MM5, G1	
1/23-25	Economic Rents	MM6	
1/25-28	The Monocentric City	MM7, G2	
1/30-2/1	The Monocentric City: Empirics	MM8	
2/1-4	Growth of Cities	MM22, G3	
2/6-8	Agglomeration	MM23	
2/8-11	Economic Development	MM24, G4	
2/13-15	Economic Geography: C-P	elc readings, notes	
2/15-18	Empirical Urban Economics	notes	
2/20-22	Intro to Real Estate	MM9, G5	
2/25	Exam		MT1
2/27-3/1	Housing and Sorting	MM10	
3/1-4	Rosen/Robak/Albouy Model	MM10 (pp. 206-214)	
3/6-8	Local Labor Markets	MM21, G6	
3/8-18	Housing Policy	MM11	
3/20-22	Real Estate Policy	MM12, MM13	
3/22-25	Property Tax and Tiebout Models	MM14 (pp. 263-283), G7	
3/27-29	Fiscal Federalism	MM14 (pp.283-end), notes	
3/29-4/1	Zoning and Regulation	notes, G9	
4/3-5	Local Sales and Income Taxes	notes	
4/5-8	Local Tax Competition	notes, , GConclusion	
4/10-12	Urban Infrastructure	MM15	
4/12-15	Urban Transportation	MM16	
4/17	Empirical Urban Economics II	notes	
4/19	Exam		MT2
4/22-24	Urban Social Problems	MM17	
4/24-26	Urban Poverty	MM18, MM19	
4/29	Crime	MM20	
5/3	Final Exam	Cumulative	12-3:00