Local Economic Development: Implementation and Finance
UP 6570

Fall, 2016 - Thursdays 5:30-8:15PM - State Hall 0410

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Office Hours: Thursday, 2:00-5:00pm, or by mutually convenient appointment

Course Objectives

The goals of this course are to (i) expose students to relevant economic theories and concepts and to the conditions that shape the challenges, opportunities and trajectories of communities in Michigan (and elsewhere); and (ii) introduce and critically review a range of financial tools, actors in the field and implementation programs commonly in use in local economic development [LED] in Detroit, in Michigan and in other regions of the USA.

Learning Outcomes

This course is intended to provide a working knowledge of economic development programs and the relevant financial tools that are available to Michigan communities. After taking this course, you should have a systematic overview of economic theory and concepts, understand the toolbox for analyzing the strengths and weaknesses of the community’s economy, and have a working knowledge of the economic development tools and programs that are available to communities and businesses. In parallel, and using the case study approach, you should be able to critically examine the impact of financial incentives commonly in use in Michigan and form a deeper understanding of the implementation processes adopted by public, nonprofit and private LED entities.

Course Materials

The required text for the course:


[Available on Amazon, currently priced at $45 (Kindle); $53 paper – some used also available]

For student unfamiliar with the subject I recommend purchase of an introductory text. Select from:


In addition to the textbooks, other readings will be assigned during the semester. These will either be distributed in class or made available on Blackboard.

Course Requirements

Various tools to stimulate learning and provide vehicles for student evaluation will be employed, including a mid-term exam, and at the end of the “Rivertown Property Study” (RPS), a Presentation and Final Report, and class participation. The mid-term examination will cover readings and lecture materials through that date.

There will be several Guest Lecturers invited to present in class. There is likely to be some assigned reading before these guest presentations. All students are expected to read such material and come prepared to ask questions of the guest presenters.

The Rivertown Property Study serves as the capstone exercise for the course. The primary objective of the Lab is to provide an opportunity for you to demonstrate understanding of economic development processes, and in particular the financial infrastructure of property development / neighborhood improvement in the Rivertown area of Detroit. Fuller details of the Rivertown Property Study will be distributed in class. Note: You are expected to deliver a presentation of your project in the final classes.

Overall, this assignment is an opportunity for you to demonstrate your understanding of theory as it relates to LED; illustrate your awareness of the financial tools and mechanisms used in the case study; and show how the different actors and agencies combined (or not) to realize the project selected.

The individual scores for these elements are:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mid-term Exam:</td>
<td>40%</td>
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<tr>
<td>Rivertown Property Study</td>
<td></td>
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<tr>
<td>Project Choice</td>
<td>5%</td>
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<tr>
<td>First Draft</td>
<td>10%</td>
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<tr>
<td>Final paper:</td>
<td>35%</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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Course expectations

I expect the following of all students, so that the maximum educational benefit and intellectual stimulation can be gained from this course:

- attend all classes; without instructor’s permission, after one absence the student’s class participation grade will be reduced by one quality point for each subsequent absence. If possible, the instructor should be informed ahead of time if it will be necessary for a student to miss a class.
- participate actively in class, by asking questions, engaging in discussions, etc., especially when there are guest speakers.
- submit all assignments when they are due; no late assignments will be accepted unless accompanied by medical evidence, so planning to avoid unforeseen contingencies is imperative.
- read all assigned material before the class for which they are assigned.
- please, no cell phone use in class; laptops will only be allowed if students use them to take notes.
- maintain academic integrity, especially with regard to plagiarism and inappropriate collaboration, by following these guidelines: cite all sources (including internet) for facts and ideas used in papers at the point in the text where information was used (not simply at end in “references”); follow any standard, consistent citation style.
- University policies on academic honesty will be rigorously enforced. If you are not sure whether something is plagiarism or not, talk to the instructor before submitting your assignment.

Disability

If you have a documented disability that requires accommodations, you will need to register with Student Disability Services for coordination of your academic accommodations. The Student Disability Services (SDS) office is located at 1600 David Adamany Undergraduate Library in the Student Academic Success Services department. SDS telephone number is 313-577-1851 or 313-577-3365 (TTY). Once you have your accommodations in place, I will be glad to meet with you privately during my office hours to discuss your special needs.
UP6570: Class Topics and Reading Assignments - Fall, 2016

Class 1: 9/01  
Course Introduction:  
Local Economic Development: Implementation and Finance  
- Mapping the Landscape

Class 2: 9/08  
Local Development Strategies and the Role of Finance in Economic Development (RB)  
Reading: White and Kotval, Chapter 1 and 2  
+  

Class 3: 9/15  
Introducing the Rivertown Property Project  
(Note: this class may be held off-campus, at a building in the Rivertown neighborhood))  
Readings will be posted on Blackboard  
Guest Speakers (TBC)

Class 4: 9/22  
State Financial Programs for LED  
Reading: White and Kotval, Chapter 8  
+  


Timothy J. Bartik and George Erickcek, 2010. The Employment and Fiscal Effects of Michigan’s MEGA Tax Credit Program  

Class 5: 9/29  
Business Finance

Reading: White and Kotval, Chapter 9  
+ Other readings will be posted on Blackboard
Class 6:10/06  (a) *Federal Policy Context*
Readings – to be posted

Class 7: 10/13  *Real Estate Finance*
Reading: *White and Kotval, Chapter 14 and 15*
+ Case Study: MEDC’s RRC Program.

Class 8: 10/20  *Venture Capital and Angel Financing*
Reading: *White and Kotval, Chapter 10*

Class 8:10/27  *Rivertown Property Study*
Mid-session Presentations

Class 9:11/03  *Municipal Finance Tools (1)*
Reading: *White and Kotval, Chapters 6 and 7*
Guest Lecturer: Professor Gary Sands (Confirmed)

Class 10:11/10  *Municipal Finance Tools (2)*
Reading: *White and Kotval, Chapter 12*
*Case Study* - Detroit - w/Guest Speaker – Michael Brady –
Detroit Land Bank (TBC)

Class 11:11/17  Innovation in Financing LED
Guest Speakers – Frost + Clemons – Capital Impact (TBC)

Class 12:11/24  *Thanksgiving – class does not meet*

Class 13: 12/01  *Change Agents in LED : The Power of Philanthropy*
Readings will be posted on Blackboard

Class 14:12/08  *The Profession and the Practice of Local Economic Development*
Panel Discussion

Class 15: 12/15  *Rivertown Property Study Presentations*
(Note: Report due 12/19)