

## UP 345 Economic Development Planning

Department of Urban and Regional Planning | University of Illinois at Urbana-Champaign

Spring 2023

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<b>Instructor:</b>	Professor Ozge Yenigun <a href="mailto:yenigun2@illinois.edu">yenigun2@illinois.edu</a>
<b>Office hours:</b>	Fridays, 11 AM – 12 PM, Temple Buell Hall, Room 312
<b>Course sessions:</b>	Tuesdays, Thursdays   11:00 AM - 12:20 PM   Armory Building, Room 134

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### Course Description

This is an upper-division course in urban economic development. The course is designed for urban planning, architecture, geography, business, economics and engineering students with an interest in economic development. The purpose of the course is to provide a broad understanding of the economic development process and the role urban planning and public policy play in facilitating economic development, concentrating on the local level. In addition to a broad knowledge of economic development planning, you should take away from this course a broader understanding of the institutional and practical elements of economic development. The course sessions will focus on public-private-partnerships and specific projects in urban economic development, including study of potentials and problems, financing urban economic development through federal grant programs, tax increment financing, and other means.

### Course objectives

Upon successful completion of UP 345, students will:

- Understand the conceptual foundation of economic development
- Apply theories on local economic development to traditional economic development programs
- Understand and debate economic development policy and its challenges and limitations
- Discuss the specific roles of public and private sectors in economic development planning and policy

### Course Format

The content of the course includes both theory and application. The course is based primarily on assigned readings, local examples, guest speakers and discussion. Generally, the early part of the class will discuss the history and current state of economic development planning, including some discussion of the regional environment and evolving trends and issues. Following this background, the course content will turn to specific policy tools and their use in successful economic development strategies. The role and effectiveness of government programs and the difficulty in attracting new development will be discussed in class, with local examples of successes and failures used to reinforce the effective use of these strategies. Financial tools and programs (TIF Districts and Enterprise Zones, for example) will be discussed, along with some principles of economic development finance and analysis. The latter part of the course will examine trends and current issues and topics related to economic development, such as economic recovery, sustainability and urban redevelopment.

The course sessions will be a combination of lectures, in-class discussions, and small group exercises. This course involves reading articles, book chapters and on-line information. The course is based primarily on the information in the readings (examples and discussion will reinforce this material), therefore reading and understanding the material is required for successful completion of the course. The readings will form the basis for in-class discussion, so you should complete all assigned readings *before* class. Assigned readings and supplementary material will be available on the course Canvas site. The reading assignments or materials may change as alternatives become available.

### **Course Assignments and Evaluation**

#### **Attendance and Participation**

Students are expected to attend and participate during class meetings. The class participation component of the final grade consists of (1) attendance at lectures as well as (2) active involvement in the discussion, careful listening, and respect for the opinions of others.

Your active participation is essential for success in this course. Strong attendance and engagement with the course materials, with the instructor and with your classmates will lead to a high attendance and participation grade. You are expected to complete the assigned readings prior to class and come to class prepared for discussion. Course sessions will include discussions and small group exercises. You will have various opportunities to share your perspectives, experiences and questions, and respond to questions raised by the instructor and your classmates. If you cannot attend a session, please contact the instructor prior to that session. Absences will only be excused if you notify your instructor in advance that you cannot attend or have a documented medical or family emergency.

#### **Reading Write-Ups**

Some course sessions will have a write-up **due on the date of discussion of that topic**. Each write-up will be one (single-spaced) page. More information and details on the format will be provided and discussed in class and will be posted on Canvas. The write-ups will be submitted on Canvas **prior to the class session the readings are assigned**. In each session, one student will be asked to summarize their write-ups, and pose one or two questions for class to discuss. No late write-ups will be accepted for credit since that would defeat the purpose of reading before the discussion.

#### **Assignment 1: Economic Development Institution and Activity Map**

This group assignment will ask you to list the economic development actors in Champaign-Urbana, specifying which agencies, organizations and groups steer economic development practice for the City of Champaign and the City of Urbana and the Champaign-Urbana metropolitan area, their roles and activities, economic development strategies, and any existing/potential collaborations and partnerships.

#### **Assignment 2: Economic Development Financing Tools and Programs**

This assignment will ask you to examine an economic development finance tool, policy or program in the Champaign-Urbana area. Further details will be provided later in the semester and posted to Canvas.

### Final Project

In this final assignment, you will select, with the approval of the instructor, a relevant economic development research or policy topic and write a 3000 - 4000-word paper on the topic, using accepted standards of research and attribution.

The final project is due on 5/5/2023 at 11:59 pm.

**Final Project/Presentation Component:** Because urban planning practice involves the incorporation of information, data and analysis into policies, programs and solutions and the communication of planning solutions to decision makers, students in this course will present their final projects to the class and the instructor during our class session on April 25<sup>th</sup>.

The weight assigned to each of these elements is shown in the table below:

ASSIGNMENT	CONTRIBUTION
Attendance	10%
Participation	10%
Reading Write-Ups	25%
Assignment 1	15%
Assignment 2	15%
Final Project	25%

Assignments must be submitted via the course (Canvas) website, unless otherwise noted. If Canvas crashes or is unavailable, please send the assignment to the instructor via email attachment. In fairness to all students, ten points will be deducted for late assignments, with an additional ten points deducted for each subsequent day until it is received. No exceptions can be made without a formal notice from the Emergency Dean. Due dates for assignments are not flexible, so please make your travel plans and schedule other commitments accordingly.

### Conversions from Numeric to Letter Grades

The final grade for the course is derived from the components listed above, subject to the percentage weights listed in the preceding table. All of those components are scored on a 100-point scale, which makes it easy for students to gauge their standing as the semester progresses.

Numeric grades will be converted into letter grades using the scale outlined below. The course will not be graded on a curve.

Numerical Grade	Letter Grade	Numerical Grade	Letter Grade
> 92.5	A	> 70.0	C-
> 90.0	A-	> 67.5	D+
> 87.5	B+	> 62.5	D
> 82.5	B	> 60.0	D-
> 80.0	B-	< 60.0	F
> 77.5	C+		

### **College and Campus Policies and Resources**

**Diversity:** UIUC is committed to equal opportunity for all persons, regardless of race, ethnicity, religion, sex, gender identity or expression, creed, age, ancestry, national origin, handicap, sexual orientation, political affiliation, marital status, developmental disability, or arrest or conviction record. We value diversity in all of its definitions, including who we are, how we think, and what we do. We cultivate an accessible, inclusive, and equitable culture where everyone can pursue their passions and reach their potential in an intellectually stimulating and respectful environment. We will continue to create an inclusive campus culture where different perspectives are respected and individuals feel valued.

**Support resources and supporting fellow students in distress:** As members of the Illinois community, we each have a responsibility to express care and concern for one another. We know that students sometimes face challenges that can impact academic performance (examples include mental health concerns, food insecurity, homelessness, personal emergencies). Should you find that you or a fellow student are managing such a challenge and that it is interfering with your coursework, you are encouraged to contact the professor or the [Student Assistance Center \(SAC\)](#) in the Office of the Dean of Students for support and referrals to campus and/or community resources. The SAC has a Dean on Duty available to see students who walk in, call, or email the office during business hours. For mental health emergencies, you can call 911 or walk-in to the Counseling Center; no appointment is needed.

The University [Mental Health Resources](#) website can help you decide what kind of assistance you might need and how to get connected to services for **mental health, wellness, access, and accommodation**. The resources on this website reflect many different approaches, ranging from personal counseling to forming groups to address issues in your school or work environment.

**Technology access:** The [Technology Loan Program](#) is a partnership established across the campus IT community to loan technology hardware to eligible students who have unmet needs. This includes loaning computers and internet hotspot technologies to support online learning and work-from-home activities for the duration of the Covid-19 crisis. Students in need are encouraged to contact the [Student Assistance Center \(SAC\)](#) at 217-333-0050 or [helpdean@illinois.edu](mailto:helpdean@illinois.edu). The SAC helps students understand university policies and procedures, connects them to campus resources, and supports students in crisis.

**Attendance:** It is the instructor's decision as to when a student's absences become excessive and should be reported. If in the opinion of an instructor, the attendance of a student becomes so irregular that his or her scholarship is likely to be impaired, the instructor may submit an [irregular attendance form](#) to the Associate Dean of the student's college. A copy is forwarded to the student, who should contact the instructor immediately to work out a solution. If irregular attendance continues without excuse, the instructor may request the student be withdrawn from the course. This request for withdrawal would result in a grade of F for the course. Extenuating circumstances will always be considered when supporting evidence is presented. See [Rule 1-501](#) and [Rule 1-502](#) in the Student Code for more information.

**Special Circumstances:** Please communicate any expected or unexpected absences with the instructor as early as possible. If you will be absent for a class period, you must alert the instructor before class to potentially receive an excused absence. Every effort will be made to work with

students with unusual or unexpected obligations outside the course (family emergencies, health issues, participation in University sanctioned activities, etc.).

**Safety and Security in the Classroom:** Emergencies can happen anywhere and at any time. It is important that we take a minute to prepare for a situation in which our safety or even our lives could depend on our ability to react quickly. When we're faced with any kind of emergency – like fire, severe weather, or if someone is trying to hurt you – we have three options: Run, hide or fight. For more information, please refer to the General Emergency Response Recommendations at <http://www.senate.illinois.edu/emergencyresponse.pdf>.

**Sexual Misconduct Reporting Obligation:** The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options.

A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality can be found here: <https://wecare.illinois.edu/resources/students/#confidential>. Other information about resources and reporting is available here: <http://wecare.illinois.edu>.

**Writers Workshop:** The Writers Workshop contributes to the intellectual and creative activities of the University of Illinois by providing support for all writers in the campus community--undergraduate and graduate students, faculty, and staff. The Writers Workshop provides individual and small-group consultations, hosts workshops on academic and professional writing concerns, sponsors writing groups and writing retreats, and visits classrooms upon request to introduce our resources or to provide a tailored, interactive presentation. See <http://www.cws.illinois.edu/workshop/> for more info.

**FERPA:** Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self-identify to the instructor to ensure the protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information.

**Students with Disabilities:** To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course professor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES, you may visit 1207 S. Oak St., Champaign, call 333-4603, email [disability@illinois.edu](mailto:disability@illinois.edu) or go to the [DRES website](#).

**FAA Writing Services:** The FAA Writing Advisor, Amanda Liepert, offers one-on-one writing assistance to undergraduate and graduate students in Fine and Applied Arts (FAA), including students from other colleges enrolled in this class. The Writing Advisor is available to assist students with classroom assignments; theses and dissertations; artist statements, short bios and program notes; grant applications; scholarly publications; resumés, portfolios, and cover letters; and many other kinds of documents. Email the Advisor at [liepert@illinois.edu](mailto:liepert@illinois.edu) to request an appointment.

## SCHEDULE

SESSION	WEEK	DATE	DAY	TOPIC
1	1	Jan-17	Tu	Introduction and Overview
2	1	Jan-19	Th	The Practice of Economic Development and the Role of Economic Development Practitioner
3	2	Jan-24	Tu	Growth vs. Development
4	2	Jan-26	Th	Theories of Local Economic Development
5	3	Jan-31	Tu	No Class
6	3	Feb-2	Th	Plans and Strategies
7	4	Feb-7	Tu	Economic Development Data and Sources
8	4	Feb-9	Th	Local Economic Development Issues, Background
9	5	Feb-14	Tu	Local Government and Development 1 – Guest Lecture
10	5	Feb-16	Th	Local Government and Development 2 – Guest Lecture
	6	Feb-20	M	ASSIGNMENT 1 DUE
11	6	Feb-21	Tu	Clusters and Competition
12	6	Feb-23	Th	University Incubators and Research Park – Guest Lecture and Field Visit to EnterpriseWorks
13	7	Feb-28	Tu	Venture Capital and Angel Investors – Guest Lecture
14	7	Mar-2	Th	Financing Economic Development: Overview of financing tools and programs
15	8	Mar-7	Tu	Economic Development Analytical Techniques
16	8	Mar-9	Th	Review and Final Projects Discussion
	9	Mar-14	Tu	SPRING BREAK – NO CLASS
	9	Mar-16	Th	SPRING BREAK – NO CLASS
17	10	Mar-21	Tu	Economic Development: Partnerships – Guest Lecture
18	10	Mar-23	Th	Enterprise Zones and TIF Districts 1 – Guest Lecture
19	11	Mar-28	Tu	Enterprise Zones and TIF Districts 2
20	11	Mar-30	Th	Financing Economic Development - Case Studies and Examples
		Apr-3	M	ASSIGNMENT 2 DUE
21	12	Apr-4	Tu	The Un-Sustainability of Current Economic Development
22	12	Apr-6	Th	Race and Equity in Economic Development
23	13	Apr-11	Tu	Rethinking Local Economic Development: Where to Next? - 1
24	13	Apr-13	Th	Rethinking Local Economic Development: Where to Next? - 2
25	14	Apr-18	Tu	Promising Practices for Equitable and Inclusive Economic Development
26	14	Apr-20	Th	Promising Practices for Equitable and Inclusive Economic Development
	14	Apr-21	F	FINAL PAPER DRAFTS DUE
27	15	Apr-25	Tu	IN-CLASS PRESENTATIONS – FINAL PROJECTS
28	15	Apr-27	Th	No Class – Work on your final projects
29	16	May-2	Tu	Last Day of Class: Semester Wrap-Up
30	16	May-5	F	FINAL PAPER DUE

## **UP 345: Economic Development Planning**

Department of Urban and Regional Planning | Spring 2023

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### **Reading List and Class Schedule**

#### **Week 1.**

##### **January 17: Class Introduction and Overview**

Class format, goals, expectations

City of Champaign Economic Development Strategic Plan

##### **January 19: The Practice of Economic Development and the Role of the Economic Development Practitioner**

Blakely and Leigh, Ch. 4. “The Local Economic Development Profession and Professionals”

State of Illinois' Economic Development Plan: goals, measures, assumptions and omissions

Discussion: What surprises you in the Illinois State Economic Development Plan? What’s missing, and what gets a lot of attention? What do you imagine policymakers do with this information?

#### **Week 2.**

##### **January 24: Growth vs. Development**

“Definitions and Concepts of Development,” in Malizia and Feser.

Feldman, M., Hadjimichael, T., Lanahan, L., & Kemeny, T. (2016). The logic of economic development: a definition and model for investment. *Environment and Planning C: Government and Policy*, 34(1), 5–21.

##### **January 26: Theories of Local Economic Development**

Blakely and Leigh, Ch. 3: Concepts and Theory of Local Economic Development

#### **Week 3.**

##### **January 31: No Class**

##### **February 2: Plans and Strategies - 1**

Blakely and Leigh, Ch. 5: The Local Economic Development Planning Process

#### **Week 4.**

##### **February 7: Plans and Strategies – 2**

Blakely and Leigh, Ch. 7: Local Economic Development Strategy

Wall Street Journal “Success Stories” July 28, 2008. Write up the general purpose of the article and then a short comparison on the cities (why was the fit a good one, why did it work there? etc.)

### **February 9: Local Economic Development Issues, Background**

Blakely and Leigh, Ch. 1: The Enduring Case for Local Economic Development

#### **Week 5.**

### **February 14: Local Government and Development -1**

Guest Lecture / Rob Kowalski, Assistant Planning & Development Director of City of Champaign, Planning and Development issues in Champaign

### **February 16: Local Government and Development-2**

Guest Lecture / Urbana Mayor, Diane Marlin: Economic development challenges in Downtown Urbana

#### **Week 6.**

### **February 21: Clusters and Competition**

Porter, M. E. 1998. On Competition. Cambridge MA: Harvard Business Review Press. Chapter 7 Clusters and Competition: New agendas for companies, governments and Institutions.

Champaign-Urbana Industry Cluster Assessment and Strategy 2021 – Executive Summary

Look at the three links related to the DPI Chicago project:

2017 announcement <https://cs.illinois.edu/news/illinois-governor-announces-u-i-system-will-lead-chicago-based-research-institute>

2018 Crain’s Chicago article (with pros and cons) <https://www.chicagobusiness.com/john-pletz-technology/even-500-million-how-real-u-i-tech-campus>

And the DPI website with current projects and announcements <https://dpi.uillinois.edu/>

Write Up - Describe the DPI project, the pros, cons and concerns and put it into the context of the discussion in class about competition, collaboration and clusters – what would DPI Chicago mean to Illinois’ economic development? UIC and UIUC campuses?

### **February 23: University Incubators and Research Park**

Field-Visit to EnterpriseWorks

Guest Lecture / Laura Appenzeller, Executive Director, Research Park and EnterpriseWorks

Write Up - Look at the Research Park web page (<https://researchpark.illinois.edu/>), scroll over the map and additional information is provided about facilities and buildings. Also look at the EnterpriseWorks web page (<http://researchpark.illinois.edu/facilities/enterpriseworks/?Id=363>), pictures, videos and descriptions of the facility and its occupants. Write this up in a single write-

up, identifying the purpose and plan for the research park and the role that EnterpriseWorks plays in technology transfer and economic development.

### Week 7.

#### **February 28: Financing Economic Development: Venture Capital and Angel Investors**

Guest Lecture / Tom Parkinson: Illinois VENTURES: Venture Capital and Angel Investors

Look at the Illinois VENTURES web page (<https://www.illinoisventures.com/>) and read information provided about venture capital and the Evergreen Fund. Also look at this report: <https://www.istcoalition.org/wp-content/uploads/Illinois-Innovation-Ecosystem-Deck.pdf> and write this up.

#### **March 2: Financing Economic Development: Finding the Money for Local Economic Development**

Giles, S.L. and E.J. Blakely. Finding the Market, in *Fundamentals of Economic Development Finance*, Thousand Oaks, CA: Sage, Chapter 4: p. 45-71

Giles, S.L. and E.J. Blakely, *Fundamentals of Economic Development Finance*, Accessing the Money for Local Economic Development, Chapter 6, p115-134

### Week 8.

#### **March 7: Work in Class on Final Projects**

(Instructor input)

#### **March 9: Final Project Proposals**

5 slides, 5 minutes

### Week 9.      **March 14 and March 16: SPRING BREAK, NO CLASS**

### Week 10.

#### **March 21: Financing Economic Development: Partnerships**

Guest Lecture / Carly McCrory-McKay, Champaign County Economic Development Corporation

Giles, S.L. and E.J. Blakely, 2001. *Fundamentals of Economic Development Finance*, in *Fundamentals of Economic Development Finance*, Thousand Oaks, CA: Sage, Chapter 5: p. 79-113

Look at the EDC website and its various pages (sites, resources, etc.) and the “You’re Welcome” website. Write these up separately, what is the purpose of EDC and “You’re Welcome” and how do they work in the context of this class and the economy of CU?

**March 23: Financing Economic Development: Enterprise Zones and TIF Districts -1**

Guest Lecture T.J. Blakeman, Senior Planner for Economic Development, City of Champaign Planning and Development

Wilder, M. G. and B. M. Rubin, 1996. Rhetoric versus reality: a review of studies on state enterprise zone programs, *Journal of the American Planning Association* 62: p473-91 (write-up this reading)

Illinois Enterprise Zones (discussion notes from instructor)

**Week 11.****March 28: Financing Economic Development: Enterprise Zones and TIF Districts - 2**

Plan for the North Campus TIF District. Read it to understand the TIF and how it is structured. Summarize in the writeup and look for the key parts of the TIF. We will discuss it in class

**March 30: Economic Development Finance Case Study**

Read: M2 Report to Council, Study Session. Read the report and write it up, think about this project and the financial terms in the context of the class material – TIF District, limits on public funding, loan to value ratio

**Assignment 2 Due – Monday, April 3<sup>rd</sup>, 2023, 5 pm Enterprise Zones and TIF Districts – A Case Study****Week 12.****April 11: The Un-Sustainability of Current Economic Development**

Holmen, H. 2001. The Unsustainability of Development. *International Journal of Economic Development* 3 (1)

**April 13: Race and Equity**

Driver, J. (2018, April 17). The Report on Race That Shook America. Retrieved from <https://www.theatlantic.com/magazine/archive/2018/05/the-report-on-race-that-shookamerica/556850/>

**Week 13.****April 18: New Directions in Economic Development – Paper Rough Drafts Due**

Doussard, M., & Yenigun, O. (2022). From Capital to Capabilities: Human Development Theory and New Directions in Economic Development. *Journal of Planning Education and Research*

**April 20: New Directions in Economic Development (Cont.) - Rough Drafts returned with instructor comments**

Banks, L. et al. (2020) City Leader Guide on Equitable Economic Development - Bloomberg Harvard City Leadership Initiative: Navigating Inclusive Growth, Racial Justice & Economic Resilience Post-COVID-19

**Week 14.**

**April 25: In-class presentations – Final Projects**

**April 27: No Class – Work on your final projects**

**Week 15.**

**May 2: Last day of Class: Semester Wrap-Up**