

URBAN ECONOMICS: ECONOMICS OF CITIES (ECON 4242)  
Department of Economics, University of Colorado  
Spring 2019

Class time:	M, W, F: 12:00 - 12:50 pm	Room:	ECON 119
Professor:	Charles de Bartolome	Office:	ECON 203
Office hours:	Mon 1:50 - 2:50 pm; Tu 10:15-11:15 am; Fri 1:50 - 2:50 pm.	e-mail:	debartol@colorado.edu

*Textbook*  $\text{P}^{\text{A}}\text{r}^{\text{U}}\text{)} \text{ } \text{ñ} \text{q} \text{ } \text{Textbook} \text{v}^{\text{P}} \text{Ô} \text{Ô} \text{Â} \text{p}$



*Exams:*

The two midterms will be given in the evening as:

FIRST MIDTERM: Monday 11 Feb 7:00 p.m. - 8:40 p.m.  
in TBA

SECOND MIDTERM: Monday 18 Mar 7:00 p.m. - 9:00 p.m.  
in TBA

The final exam will be held as:

FINAL: Sunday 5 May 7:30 p.m. - 10:00 p.m.  
in ECON 119

You must bring two blue-books to each exam.

Because this is a 4000-level class, the exams will not just repeat material covered in class. Some questions will follow the material covered in class and in the problem sets, but some will ask you to apply the material in a different environment.

*Failure to be present at an exam:*

If you are unable to take an exam because of illness: You must get a medical note from a doctor to confirm your inability to take the exam *and* advise me of your inability ~~by email to Prof. S. N. - EA@EE.rF+RÖFW&-Â6÷fW&VB-â6Æ72æB-âF†R&ö&~~

*Accommodation for Disabilities:*

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to me in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website ([www.colorado.edu/disabilityservices/students](http://www.colorado.edu/disabilityservices/students)). Contact Disability Services at 303-492-8671 or [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu) for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss y

on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Individuals who believe they have been subject to misconduct under either policy should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127. Information about the OIEC, the above referenced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the OIEC website.

*Honor Code:*

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the academic integrity policy. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, resubmission, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code Council as well as academic sanctions from the faculty member. Additional information regarding the academic integrity policy can be found at the Honor Code Office website.

*Course outline:*

A list of topics to be covered and likely dates is shown on the next pages. This is an estimated plan. Topics may take more or less time than estimated in this plan.

## COURSE OUTLINE

<u>Approximate Date</u>	<u>Topic</u>	<u>Chapter</u>
1. INTRODUCTION		
14, 16 Jan	INTRODUCTION Fundamental Questions of Urban Economics The need for a model Descriptions of urban areas Discussion of regression analysis - the hedonic regression of house prices	1, 2
*18 Jan	Kain, J., and J. Quigley, (1970), "Measuring the value of housing quality," <i>Journal of American Statistical Association</i> <u>65</u> , 532-548.	
2. FORMATION OF CITIES		
23, 25, 28, 30Jan 1, 4 Feb	EXISTENCE OF CITIES Concentration of production: importance of IRS in production - trade cities - factory cities - resource cities  <i>Problem Set: Base Case</i> <i>Problem Set: Trade Cities: Normative</i> <i>Problem Set: Trade Cities: Positive</i> <i>Problem Set: Factory Cities 1</i> <i>Problem Set: Factory Cities 2</i>	3

*Problem Set: Knowledge Spillovers*

**11 Feb**

**Review  
FIRST MIDTERM (7:00 - 8:40 pm in )**

13,15 Feb

CLUSTERING OF FIRMS CONT

4 (pp. 54 - 60)

\*6 Mar Helms, L.J., (1985), "The effect of state and local taxes on economic growth: a time-series cross-section approach," *Review of Economics and Statistics* 67, 574-582.

#### 4. LAND PRICES AND LAND USE PATTERN

8, 11, 13, 15 Mar BID-RENT CURVES 10  
 Capitalization 11 (pp. 155-160, 169)  
 "Left-over principle"  
 - bid-rent for agriculture  
 - bid-rent for manufacturing firms  
 - bid-rent for offices  
  
*Problem Set:* Factory Bid-Rent  
*Problem Set:* Office Travel Costs

**18 Mar** **Review**  
**SECOND MIDTERM (7:00 - 9:00 pm in )**

20,22 Mar BID-RENT CURVES CONT 12 (pp. 175-177)  
 1,3,5,8 Apr - bid-rent for offices (cont)  
 - bid rent for households  
 - bid-rent curves and land-use patterns  
  
*Problem Set:* Office Bid-Rent With No Production Substitution  
*Problem Set:* Residential Bid-Rent With No Consumption Substitution  
*Problem Set:* Using Bid-Rent Curves

#### 5. LAND PRICES AND LAND USE (CONT)

10, 12, 15, 17 Apr BUILDING-UP AND SQUEEZING:  
 SKYSCRAPER OFFICES, HIGH-RISE APARTMENTS,  
 TOWNHOUSES AND APARTMENT COMPLEXES  
 Substitution in construction of office 11 (pp. 160 - 166)  
 Substitution in the consumption of housing 12 (pp. 175 - 177)  
  
*Problem Set:* Skyscraper Offices: Graphical



*Problem Set: Skyscraper Offices: Algebra*  
*Problem Set: Apts. and Townhouses: Graphical*  
*Problem Set: Apts. and Townhouses: Algebra*

19 Apr MONOCENTRIC CITY 14  
Monocentric city  
“Edge Cities”

LAND-USE POLICY 13  
Policy: land-use zoning  
Open Space  
Urban sprawl

*Problem Set: Zoning Land as “For Agricultural Use Only.”*

\*22 Apr Kahn, M., (2000), “The environmental impact of suburbanization,”  
*Journal of Policy Analysis and Management* 19, 569-586

## 6. MAKE-UP OF COMMUNITIES/NEIGHBORHOODS

24,26 Apr SORTING 15 (pp. 224-232)  
Income sorting  
Public good/public service sorting

*Problem Set : Income Sorting*  
*Problem Set: Public Service Sorting*

\*29 Apr Honig, M., and R.K. Filer, (1993), “Causes of intercity  
variation in homelessness,” *American Economic*  
*Review* 83, 248-255