

PPD 624: LOCAL ECONOMIC DEVELOPMENT: THEORY AND FINANCE
SYLLABUS
4 units, Fall 2024
Thursday Evening
August 29 – December 5, 2024
6:00 P.M. – 9:20 P.M.
RGL 304

Instructor: **Tomas Duran, MPI**
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Office Hours: One hour prior to class or by appointment.

Overview

Economic Development Finance focuses on the tools and programs available to the economic development practitioner to address capital needs for businesses and economic development projects. Issues of socioeconomic change, economic development theory, assessment techniques, and economic indicators in the context of planning and development policies and programs are examined with respect to planning and developing platforms for economic development.

Along with an introduction to the role of financing in the economic development process, the course provides a foundation on how firms and development projects are financed and the interpretation and analysis of business financial statements to understand capital needs and evaluate the ability to support financing. We will consider how capital market imperfections result in financing gaps and focus on the policy and institutional models that exist to address these capital gaps and stimulate private investment in local economic development. Lastly, students will be introduced to public finance tools and their application to economic development.

Course Objectives

The course objectives are to provide students with a comprehensive overview of local economic development finance practice in the United States; and to develop the knowledge and skills base sufficient to understand how local economic development finance practitioners apply economic development finance approaches to other fields of planning and development. Students will be introduced to the following knowledge and skills areas in the course:

1. An understanding of the operation of private financial markets and their limitations in serving economic development finance needs.
2. Familiarity with the program models and institutions that can be used to address community and business financing gaps.
3. An understanding of different business capital needs and the appropriate financial instruments and institutions used to address these needs.

4. An introduction to interpreting and analyzing business financial statements.
5. Knowledge of federal economic development financing programs.
6. An understanding of feasible program approaches and models to address specific development financing gaps and business capital needs.
7. An introduction to institutional and program resources that can be used to meet economic development financing objectives.
8. An introduction to public finance tools and their uses for local economic development.

Required Textbook

Karl F. Seidman. "Economic Development Finance", Thousand Oaks, California: SAGE Publications, Inc. Publisher, 2005. ISBN 0-7619-2709-3

Sammis B. White and Zenia Z. Kotval, Editors. "Financing Economic Development in the 21st Century"; Second Edition, Armonk, New York: M. E. Sharpe, Inc., Publisher, 2013. ISBN 978-07656-2782-7

Recommended Textbook

Nancey Green Leigh and Edward J. Blakeley, "Planning for Local Economic Development: Theory and Practice"; Sixth Edition, Thousand Oaks, California: SAGE Publications, Inc. Publisher, 2017. ISBN 978-1-5063-6399-7 (paper) or ISBN 978-1-5063-6399-8 (web)

Course Format/Syllabus Revision

This is a lecture class. However, we will interact with and learn from each other. Participation and attendance are expected at each class session. Questions about the readings, discussions of examples from your internships or jobs that relate to the topic, or examples from your hometown or state you live in will be encouraged. During certain weeks, students will be asked to select current articles from newspapers and/or magazines dealing with the subject matter of the upcoming class. Students will present a brief oral summary of the article's relationship to the subject matter to be discussed during the class session.

The instructor will regularly assess progress and solicit student feedback regarding the course. If necessary, the syllabus will be revised to make it more responsive to class needs. This will not, however, extend to the grading criteria.

Grading and Assignments

SYLLABUS REVIEW AND REVISION. During the course of the semester, I will regularly review student progress and may revise the syllabus to meet class needs.

GRADES AND EXPECTATIONS: Your grade will be determined by a combination of participation and the completion of written and oral assignments. A person who does not attend class regularly will fail notwithstanding the delivery of written assignments. Rubrics will be provided for each assignment and grades will be assigned accordingly. Individual letter grades will be assigned and weighted based on the following table.

Reading assignments are specified for each class. Additional reading materials may be provided for additional information on key topics.

Assignment	Due Date	Weight/Points
1. Article Summary Presentations (2)	Throughout	10% Total (5% Each)
2. In class participation in discussions and assignments	Throughout	10%
3. Business Financial Analysis	10/17/24	15%
4. Market Study Analysis	11/07/24	15%
5. Lending Practice Evaluation	12/05/24	15%
6. Final Presentation	12/12/24	15%
7. Final Paper	12/12/24	20%

Guidelines for written assignments:

1. All submitted work must be in MSWord, 12pt Times New Roman font, be left-justified, single-spaced, use one line between paragraphs, 1” margins, and have numbered pages.
2. Check to see that your work is spelled correctly, uses language correctly, and provides appropriate citations and documentation for all sources of information using the American Psychological Association (APA) style.
3. Submit your original work on time.

Class Policy on use of Chat GPT and other AI programs:

Per the USC Instructor Guidelines for student use of generative artificial intelligence (AI) for academics, students in this class may use AI Programs to enhance their classwork, AI programs should be viewed as tools to build upon and should not be the only source or content . The best way to use these tools, such as for idea generation, essentializing, brainstorming, or gathering information about the typical understanding of a topic. All uses of AI tools should be supplemented with appropriate evidentiary support and reflection.

Assignment Instructions

There are two article presentation assignments, four written assignments, and one group presentation. Below is a cursory overview of each assignment. Detailed instructions on each will be provided throughout the semester.

- I. PowerPoint Presentation of Article: Due dates to be assigned in class.**
 Each group will present and lead the class in discussion on an article related to the chapters or readings they are assigned on the date scheduled in the syllabus. These presentations can be brief (less than 5 slides) but should give a synopsis of the article, connect it to the reading, and initiate discussion from fellow classmates. Guidelines about submission will be distributed when assigned.

- II. Business Financial Analysis: Due October 17, 2024**

Students will analyze the business plan, marketing strategy, competition, sales forecast, operations, financial plan and projections of a company in order to prepare an analysis and recommendations on a loan request. This assignment will be written and is expected to be no more than 5 pages. Guidelines about submission will be distributed when assigned.

III. Market Study Analysis: Due November 7, 2024

Chapter 1 of the “Financing Economic Development in the 21st Century” book provides an overview of population growth, employment trends, household income distribution, drivers of economic growth, taxation, subsidies to encourage development, and sources of financing for local economic developers. Chapter 6 in the recommended text, “Planning for Local Economic Development: Theory and Practice” summarizes the key analytics of an industry. Students will select one of the thirteen provided regions and write a market study analysis that will be no more than 5 pages. Guidelines about submission will be distributed when assigned.

IV. Lending Practice Evaluation: Due December 5, 2024

Students will recommend a research plan to help an economic development corporation identify the target markets and financing strategy to maximize the use of its lending capacity under the SBA Microloan Program to advance the economic revitalization of the community. This assignment will be written and is expected to be no more than 5 pages. Guidelines about submission will be distributed when assigned.

V. Final Presentation: Thursday, December 12, 2024

A presentation will be made on the recommendations in the Term Paper. Guidelines about submission will be distributed when assigned.

VI. Term Paper: Due Thursday, December 12, 2024

Students will write a paper. Guidelines about submission will be distributed and this paper will be due by 9:00 PM on this date via Brightspace.

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

COURSE EVALUATION

Course evaluation occurs at the end of the semester university wide. It is an important review of students’ experience in the class. The process and intent of the end-of-semester evaluation is to improve the future delivery of the course.

COURSE SCHEDULE: A WEEKLY BREAKDOWN

The following class schedule identifies the dates for each class as well as the readings and/or assignments **due on that date**.

August 29, 2024

**Class structure, Use of Brightspace and Zoom
Introduction to the Practice of Local Economic Development & Finance
Making Presentations**

September 5, 2024

**Review syllabus,
Continue Introduction to the Practice of Local Economic Development & Finance**

September 12, 2024

Economic Development Theory & Tools

Readings Due:

Required: White & Kotval: Chapters 1, 3, & 6

Required: Seidman Chapter 1

Recommended: Leigh & Blakely: Chapter 1

Article Presentation on White & Kotval: Chapters 3 & 6

September 19, 2024

Financing Business Enterprises and an Introduction to Business Financial Statements

Readings due:

Required: White & Kotval: Chapters 4 & 5

Required: Seidman Chapter 2 & 3

Recommended: Blakely & Leigh: Chapter 3

Article Presentations White & Kotval: Chapters 4 & 5

September 26, 2024

Analyzing Business Financial Statements and Working Capital Finance

Readings due:

Required: White & Kotval: Chapters 7 & 13

Required: Seidman Chapter 4 & 5

Recommended: Blakely and Leigh: Chapters 2, 4 & 5

Article Presentations White & Kotval: Chapters 7 & 13

October 3, 2024

Fixed Asset Financing and Intro to Phoenix Forge Case Study

Readings due:

Required: White & Kotval: Chapter 8

Required: Seidman Chapter 6

Recommended: Blakely and Leigh: Chapter 6

Article Presentation White & Kotval: Chapter 8

October 10, 2024 – Fall Recess

October 17, 2024

Written Assignment #1 (Balance Sheet Analysis) Due

Loan Guarantee Programs

Readings due:

Required: White & Kotval: Chapter 2

Required: Seidman Chapter 8

October 24, 2024

Development Banks and Venture Capital & Equity Investments

Readings Due:

Required: White & Kotval: Chapter 10

Required: Seidman Chapter 9 & 11

Recommended: Blakely and Leigh: Chapter 8

Article Presentation White & Kotval: Chapters 10

October 31, 2024

Revolving Loan Funds and Community-Based Financial Institutions

Readings due:

Required: White & Kotval: Chapter 9 & 12

Required: Seidman Chapter 10 & 12

Recommended: Blakely and Leigh: Chapter 10

Article Presentation White & Kotval: Chapters 9 & 12

November 7, 2024

Microenterprise Finance

Readings due:

Required: White & Kotval: Chapter 11 & 15

Required: Seidman Chapter 13

Recommended: Blakely and Leigh: Chapter 11

Written Assignment #2 (Market Analysis) Due
Form groups for Final Presentation & Assign Topics

November 14, 2024

Federal Economic Development Programs and Municipal Finance Tools

Readings due:

Required: White & Kotval: Chapter 14

Required: Seidman Chapter 14 & 15

Recommended: Blakely and Leigh: Chapter 12

Article Presentation White & Kotval: Chapter 14

November 21, 2024

Program Planning & Design and Managing the Lending and Investment Process

Readings due:

Required: White & Kotval: Chapter 16
Required: Seidman Chapter 16 & 17
Article Presentation White & Kotval: Chapter 16

November 28, 2024: Thanksgiving Week

December 5, 2024

Raising and Managing Capital

Readings due:

Required: Seidman Chapter 18

Recommended: Blakely and Leigh: Chapter 13

Optional Reading Assignment for 12/5/2022:

Blakely and Leigh: Chapter 14

Written Assignment #3 (Lending Practice Evaluation) Due

FINAL EXAM: Thursday, December 12, 2024,

Make group presentations on Term Paper.

Upload Term Paper to Brightspace by 9 PM

Example of Writing Format:

All submitted work must be in MSWord, Times New Roman 12pt font, left-justified, single-spaced, have one line between paragraphs, 1” margins, and numbered pages.

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STATEMENT ON SUPPORT SYSTEMS:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call

<https://sites.google.com/usc.edu/counseling-mental-health/>

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call

suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-4900 – 24/7 on call

<https://studenthealth.usc.edu/sexual-assault/>

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298

equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations.

The Office of Disability Services and Programs - (213) 740-0776

<https://osas.usc.edu/>

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

Bias Assessment Response and Support - (213) 821-8298

studentaffairs.usc.edu/bias-assessment-response-support

Avenue to report incidents of bias, hate crimes, and microaggressions for appropriate investigation and response.

USC Campus Support and Intervention - (213) 821-4710

campussupport.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Trojans Care 4 Trojans (TC4T) - (213) 821-4710

<https://campussupport.usc.edu/trojans-care-4-trojans/>

USC Trojans Care for Trojans (TC4T) is an initiative within the Office of Campus Wellness and Crisis Intervention that empowers USC students, faculty and staff to take

action when they are concerned about a fellow Trojan challenged with personal difficulties.

The website has a private and anonymous request form for Trojans to help a member of our Trojan Family.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

END OF SYLLABUS