

Cleveland State University Class #1486
UST 425: Economic Development Finance, 4 credits
Fall 2017 Semester

Thursday: 6:00-9:50 p.m. Room UR 106

Instructor: Andi Udris

Office Hours: Thursday, 4:30 to 6:00 pm or by appointment

Phone: 216-496-0426 cell

Email: a.udris@csuohio.edu

COURSE DESCRIPTION

Economic Development Finance focuses on the tools and programs available to the economic development practitioner to address the implementation and execution of economic development projects. More specifically, this course is structured as a seminar to identify, discuss, and analyze the program, processes and systems through which economic development finance is implemented with an emphasis on urban America.

This course combines core elements of economic development finance that can be applied to a range of projects to include traditional industrial or business development, and mixed-use and housing developments, all of which are central components of a successful economic development strategy. Having a working knowledge of economic development finance tools has become critical for public policy officials, economic development practitioners, non-profit organizations, private developers, and corporate financial officers to name a few.

COURSE OBJECTIVES

- To enhance an understanding of the context in which economic development finance occurs;
- To gain an understanding of the common tools of economic development finance used in economic development projects; and to apply techniques to evaluate and structure financing plans for firms and real estate projects.
- To gain an understanding in the process of packaging and delivering incentives and tools (specifically how to articulate the value).

COURSE MATERIALS/REQUIRED READINGS

Seidman, Karl. 2005 *Economic Development Finance*. Thousand Oaks, CA: Sage Publications

Additional reading assignments will be assigned throughout the course and posted on Blackboard to emailed directly to student.

COURSE REQUIREMENTS

All students are expected to complete the following assignments:

1. Read the required readings and constructively participate in class discussions (highly encouraged).
2. Complete a take-home midterm examination due on October 12th by 10 pm.
3. Complete the exercises and assignments at the end of Chapters 4,5,6,7 and 8 in the text. These assignments will be handed in at the end of each class and will count towards your class participation.
4. Complete an economic development Program Analysis Paper. Each student will complete an economic development finance paper (4-5 pages excluding exhibits and financial statements) that discusses the pros and cons of a specific economic development finance assistance program. You may select from the various existing tools or programs discussed in class or propose a new program. Each student will be required to write a detailed paper on its use and make the case as to why it is an effective economic development tool including a financial spreadsheet. You will be required to show a hypothetical example of how the tool would be implemented and the proposed benefits and costs of the program. **Each student will be assigned an ED tool or program on or before September 14th.** The proposal should briefly identify the topic in detail you intend to pursue and a brief description of the example. This paper will be due **October 5th.**
5. Complete an economic development Project Presentation and Paper. Each of you will be responsible for providing a **12-15 minute presentation** on a proposed **economic development finance project** to a particular urban development case study of your choice, due at end of semester. The presentation should focus on the viability of financing the project based on major concepts, theories and perspectives discussed in class (economic, moral/ethical, political, and others). Your presentation should be from the perspective of a local economic development official proposing the recommended public financing approach (in other words, why this is the best option). Each student will hand in a **10-12 page paper** on the day of your presentation summarizing your presentation including a financial spreadsheet. All students will also be responsible for critiquing and raising constructive questions of another student's presentation. You are expected to utilize library research, Internet-based searches, professional associations, and expert interviews as sources of information on your selected topic. Your paper should conform to APA style guidelines for citations and bibliography. Your paper should be your own work and should follow academic standards for quoting and referencing the work of others. Your paper should be written in a clear, concise, jargon-free format. **Presentations will be held on Nov 30th and Dec 7th. The final paper is due on or before December 14th by 10 pm.**

GRADING

Grading will be based on each student's demonstration of their knowledge of the course material and capacity to apply via:

20% Class Discussion and Participation

20% Mid-Term on Concepts & Tools

20% Text Case Study Assignments

20% Program Analysis Paper

20% Final Economic Development Finance Project Presentation & Paper

University/College Policies

University Deadlines

- For the current semester, the deadline for dropping a course is **September 8, 2017**.
- The last day to withdraw from the course is **September 9, 2017**.
- The final examination day is **December 14, 2017**.

Student Grading

CSU uses the following letter grades with pluses and minuses. In the Levin College the letter grades follow this numeric scale:

A = 94-100%

A- = 90-93

B+ = 87-89

B = 83-86

B- = 80-82

C+ = 77-79 (there is no C+ grade for graduate students; C = 70-79 for grad students)

C = 70-76 for undergraduates, 70-79 for grad students

D = 60-69 (there is no D for graduate students)

F = 59 and below for undergraduates, 69 and below for graduate students

Grades of "I" and "X"

Graduates Students Only - The grade of "X" can be assigned by the instructor when an attending/participating student has stopped attending/participating without notification and has not completed all assignments for reasons that cannot be determined by the end of the grading period. An "X" automatically becomes an F if not resolved by the last day of instruction of the following semester. An "X" also will be assigned by the University Registrar when no grade is submitted by an instructor.

I - Incomplete. The "I" grade is given when the work in a course has been generally passing, but when some specifically required task has not been completed through no fault of the student.

An "I" grade can be assigned by the instructor when all three of the following conditions are met:

1. Student is regularly attending/participating in the class and has the potential to pass the course;
2. Student has not completed all assignments and has stopped attending/participating for reasons deemed justified by the instructor; and
3. Student has notified the instructor prior to the end of the grading period.

Students with Special Needs

Educational access is the provision of classroom accommodations, auxiliary aids and services to ensure equal educational opportunities for all students regardless of their disability. Any student who feels he or she may need an accommodation based on the impact of a disability should contact the Office of Disability Services at (216)687-2015. The Office is located in MC 147. Accommodations need to be requested in advance and will not be granted retroactively. Students should notify the instructor as soon as possible if they have been granted an accommodation through the Office of Disability Services.

Writing Assistance

Students with difficulty writing may contact the Writing Center located in Rhodes Tower 124 for assistance. Students should use the American Psychological Association (APA) format for citations and reference pages.

Plagiarism

Plagiarism is stealing and/or using the ideas or writings of another in a paper or report and claiming them as one's own. This includes but is not limited to the use, by paraphrase or direct quotation, of the work of another person without full and clear acknowledgment.

The penalties for plagiarism are found in full in the Student Handbook (Office of Student Life) under Academic Regulations (Policy on Academic Misconduct) at the following link:

<https://www.csuohio.edu/sites/default/files/StudentCodeOfConduct.pdf>

UST 425 - Fall 2017 Semester
Economic Development Finance
COURSE CONTENT AND ASSIGNMENTS

- Aug. 31 (1) Course Introduction (Overview & Introduction)**
Review of Course Outline and Syllabus
Review of Course Grading plan, Case Project Assignment and Final Paper Topics
Introduction to the Study of Economic Development Finance
Small business development and a Brief History of Federal Community and Economic Development Programs
What is in a Business Plan? Required Reading: Brauhaus Cleveland Business Plan (Blackboard)
- Sept. 7 (2) Role of Economic Development Finance:**
Guest Speaker: **Vince Adamus, VP at Greater Cleveland Partnership**
Financing Business Enterprise
Required Reading: Is That a Good Local Economic Development Deal?
The Role of Local Elected Officials in Economic Development: 10 Things You Should Know by National League of Cities (Article)
-
- Sept. 14 (3) The Basics**
Guest Speaker: **TBD**
Role of Debt and Equity; Accounting & Financial Statements introduction and analysis
Required Readings: Seidman Chapters 1, 2 and 3
Analyzing the Benefits and Costs of Economic Development Projects by J. Morgan (Article)
Resource Guide for Site Selection (Article)
Program Tool Topics Assigned
-
- Sept. 21 (4) Analyzing Business Financial Statements and Working Capital Finance**
Required Readings: Seidman Chapter 4 and 5
Guest Speaker: A Lender's View- **Charles Burkett, Business Client Manager for Huntington Bank**
Ratio Analysis/Analyzing business financing needs
Forms of Working Capital Financing
Case Study: Crystal Clear Window Company
-
- Sept. 28 (5) Fixed Asset Financing**
Guest Speaker: **Mayor Katie Gallagher, City of Brooklyn, Oh**
Required Readings: Seidman, Chapter 6
Case Study: Phoenix Forge Case Study: Crystal Clear Window Company
-
- Oct. 5 (6) Real Estate Financing**
Guest Speaker: **Matt Stuczynski, MAS Financial Advisor**
Required Readings: Seidman Chapter 7
Tax Increment Finance: Best Practices Reference Guide by ICSC (Article) **TIF Videos**
Case Study: City Plaza
ED tool or program topic for paper must be submitted.
-
- Oct. 12 (7) Policies to Perfect Private Capital Markets**
Guest Speaker:
Historic Tax Credit Video <https://www.youtube.com/watch?v=Bvg7OLTLWcw>
Loan Guarantee Programs
Bank Regulations and Development Banks
Required Readings: Seidman, Chapters 8-9
Cast Study: Massachusetts Emerging Technology Fund
-

UST 425 - Fall 2017 Semester
Economic Development Finance

Oct. 19 (8) Mid-Term Exam on Concepts, Tools and Programs sent out via email and due back by 10 pm. (NO CLASS)

Oct. 26 (9) Revolving Loan Funds and Venture Capital

Guest Speaker: **TBD**

Selecting a Local Economic Development Strategy

New Market Tax Credits Video <https://www.youtube.com/watch?v=da7EwmMoVV0>

Required Readings: Seidman, Chapters 10-11

Nov. 2 (10) Community Based and Microenterprise Financial Institutions

Guest Speaker: **Reiner Mueller, Liberty Capital Funding**

Case Study: Lawrence Working Capital

Required Readings: Seidman, Chapters 12-13

Program Analysis Paper Due!

Nov. 9 (11) Federal and Municipal Government Finance Tools

Guest Speaker: **TBD**

SBA, HUD, CDBG, UDAG, EDA, CDFI, IDB, NMTC, OJCTC, EB5 and Job Training

EB 5 Video <https://www.youtube.com/watch?v=CLe8QRfmWil>

Required Readings: Seidman, Chapters 14-15

Nov. 16 (12) Economic Development Policy in the future

Required Reading: Seidman, Chapter 19

Guest Speaker: **Mayor Mark Cegelka and Peggy Spraggins, Village of Glen Willow, OH**

Using Economic Development Incentives: For Better or Worse by J. Morgan (Article)

Nov. 23 (13) Thanksgiving Recess (NO CLASS)

Nov. 30 (14) Case Project Presentations

Dec. 7 (15) Case Project Presentations

Dec. 14 (16) Final Paper Due by 10 pm. (NO CLASS)
