

**PPG2002: APPLIED ECONOMICS SEMINAR: URBAN AND
TRANSPORTATION POLICY
UNIVERSITY OF TORONTO, FALL 2022**

1. BASIC INFORMATION

Class: Tuesday, 2:10–5:00PM in BL 114
Office hours: Thursday, 9:30–10:30AM in GE 356
Instructor: Jonathan Hall
Email: jonathan.hall@utoronto.ca
Course website: <http://q.utoronto.ca>

2. COURSE DESCRIPTION AND OBJECTIVES

In this course, we will apply the tools of economics to understanding urban and transportation policy. By the end of this course, you will be able to

- Explain the fundamental economic forces causing cities to exist
- Explain the fundamental economic trade-offs driving urban spatial structure, and use this understanding to explain differences within and across cities
- Understand the key issues in urban transportation, be able to explain the trade-offs between different transportation systems, and analyze how different government policies affect mobility within cities
- Analyze how different government policies affect the housing market

See Section 4 for a detailed list of specific questions we will address in this course.

3. PREREQUISITES

This is a course in urban and transportation economics in the MPP program at the Munk School of Global Affairs and Public Policy. This course builds on previous classes in

- Microeconomics for Policy Analysis (PPG1002H)
- Quantitative Methods Methods for Policy Analysis (PPG1004H)

Date: October 5, 2022.

4. COURSE OUTLINE

Below is a list of topics and questions we will address in this course. We are unlikely to cover all of this and this list is subject to change. Readings will be posted on Quercus.

- (1) Introductions, the definition of cities, and why cities exist
 - (a) What is a city?
 - (b) How do we split urban areas into cities?
 - (c) Why do cities exist?
- (2) Agglomeration economies
 - (a) Why are some cities so big?
 - (b) Why do industries cluster in a given city or within the same area of a given city? To be more specific, why is Bay Street a thing?
- (3) Systems of cities
 - (a) Why don't we all live in one big city?
 - (b) Are cities too big, too small, or just right?
 - (c) Why are cities different sizes?
 - (d) What explains how wages and housing cost differs across cities?
- (4) Basic trade-offs governing urban spatial structure
 - (a) What determines land use within a city?
 - (b) Why is housing more expensive downtown than in the suburbs?
 - (c) Why are buildings taller downtown than in the suburbs?
 - (d) Why are homes smaller downtown than in the suburbs?
- (5) Using the model of urban spatial structure to understand differences across cities and how policies will change cities
 - (a) Why is Toronto's tallest building 50% taller than Montreal's tallest building?
 - (b) Why is Phoenix cheaper and less dense than Toronto?
 - (c) What happens to a city as its population grows?
 - (d) What happens to a city if we add a highway?
- (6) Urban sprawl
 - (a) Is urban sprawl a problem?
 - (b) What are the causes of urban sprawl?
 - (c) What should we do about urban sprawl?
- (7) Cities and the environment
 - (a) Are cities good or bad for the environment?
 - (b) How can cities adapt to climate change?
- (8) Housing
 - (a) How can we make housing more affordable?
 - (b) What are the effects of rent control?
 - (c) Who does rent control help?
 - (d) What causes gentrification, and who gains and loses?
- (9) Addressing traffic congestion

- (a) Why are our roads so congested and what can we do about it?
- (b) If economists are such big fans of congestion pricing, why don't we see it more often in the real world?
- (c) How could we implement congestion pricing so that it would make all road users better off?
- (10) Addressing traffic congestion (part 2) and parking policy
 - (a) Is there too much or too little parking?
 - (b) Is parking priced correctly?
- (11) Autonomous vehicles
 - (a) How have previous changes in transportation technology affected cities?
 - (b) What are the possible benefits and costs of AVs?
 - (c) How can public policy address the downsides of AVs?
- (12) Public transportation
 - (a) Why do so few people use public transportation?
 - (b) What could we do to encourage additional transit ridership?
 - (c) Should we subsidize transit fares?
 - (d) Should we build subways, light rail, or buses?

5. POLICIES

First rule of holes. Stop digging and get help! Come see me, [Petra Jory, Health & Wellness](#), or any of the other resources listed in Section 8.

No glowing rectangles. You are not allowed to have computers, tablets, or phones out during class. A growing body of research finds that even when students use electronic devices in the best possible way they still lead to worse outcomes. For an overview of the empirical evidence, see <https://www.nytimes.com/2017/11/22/business/laptops-not-during-lecture-or-meeting.html>. Each time I see your computer, tablet, phone, etc., in class will be penalized by a one percentage point reduction in your final grade.

Cold calling. I will call on you to answer questions regardless of whether you have raised your hand. I do this for two reasons: to assess how well the entire class understands the material and to encourage the whole class to be engaged with the material.

Communication: Email and Quercus. I check my University of Toronto email accounts once each business day and expect you to do the same. I will respond to all emails within two business days. Emails should be sent from your official University of Toronto email address. To help me prioritize your email, please prefix its subject line with [PPG2002].

To help me get to know you better, I prefer you ask questions in class or during office hours; rather than by email.

I use the University's learning management system, Quercus, to post course information, announcements, and assignments. I expect you to either check Quercus, or set Quercus to email you notifications and check your email, at least once each business day.

Accommodation. I am willing to provide reasonable accommodations for a variety of reasons, including disability, health problems, religious observance, participation in an extra-curricular activity, death in the family, illness, or injury. To be fair to all the students in the course, I require documentation of the need for accommodation and a written request for an accommodation. Requests due to non-medical reasons must be received by the end of the second week of class. *I especially want to highlight that I am willing to make accommodations to the ban on electronic devices and cold-calling.* Please see Section 9 for a further discussion of how to receive an accommodation due to disability.

Illness and Extensions. My policy on illness and extensions differs from the standard MPP-Munk policy. The exact policy differs on the assignment missed.

Missing the midterm exam or your class presentation. If you are ill on the date of the midterm or your class presentation, you must email me, from your official University of Toronto email account, *before* the start of the exam. Your email must concisely explain why you missed the test, contain the statement "I understand that it is a punishable academic offense to present false or misleading information with my request for an accommodation" and close with your name and student number. I do not require a medical note.

If you miss the midterm, there will be a make-up exam from 2:10–5:00PM on Friday, October 28th. Consistent with university policy, there is no "make-up" exam for the make-up exam.

If you miss your presentation, you will be required to make your presentation in the next class.

Missing the final exam. If you are ill on the date of the final exam, you must follow university policy for requesting a make-up exam. The make-up final exam will be scheduled during the following final exam period.

Homework. As an automatic accommodation for sickness, technical problems, etc. that impacts your ability to complete the homework, your worst two homework assignments will be dropped. There are no other accommodations made regarding homework.

Late homework. Late homework will be assessed a 20 percentage point penalty per day.

Appealing grades. If you believe an assignment or exam has been incorrectly graded, you may for it to be re-evaluated. To request a re-evaluation, please email me. You need to make this request as soon as possible after receiving the work back, and the request must be received within two weeks of the coursework being handed back. The entire work will be regraded and your grade may increase or decrease. I have this policy not to punish you for asking for a re-evaluation, but because notwithstanding all our efforts to achieve precision in grading, grading inevitably involves a degree of randomness, and in regrading we wish to reduce the randomness (both in your favor and against) on all parts of the work to come to a more precise measure of your true performance on the assignment.

No audio or video recordings. You may not create audio or video recordings of classes, except for students requiring an accommodation for a disability, who must speak to me before beginning to record lectures.

Exam rules. We will follow the standard final exam rules for all course exams. For more details, see <http://www.artsci.utoronto.ca/current/exams/reminder>.

The only allowed test aids for the exams are a ruler and a four-function calculator. Scientific or graphing calculators and calculators with statistical capabilities are not allowed.

Additional policies. Please see Section 9 for additional policies. Section 9 contains those policies that are, more-or-less, standard across all MPP-Munk courses. Please note that my policy on illness and extensions differs from the standard MPP-Munk policy.

6. GRADES

Grades will be based on

- Midterm exam (20%)
- Comprehensive final exam (40%)
- Class presentation (20%)
- Homework and quizzes (20%)

Midterm exam. 20% of your final grade will come from the midterm. *The midterm will be given during class on Tuesday, October 18th.*

The midterm and final exams primarily cover the material taught in class and via problem sets. The midterm and final exams will also cover the virtual tutorials and material in the assigned readings that were not covered in class.

Final exam. 40% of your final grade will come from the final exam. The final exam will be given during December 7th–20th. The exact date and time will be announced as soon as it is available. The final exam will be comprehensive, but will be heavily weighted towards the last half of the course.

Class presentation. 20% of your final grade will come from a presentation you do in class on an academic paper related to urban and transportation economics. The goal of this assignment is to (1) allow you to dive deeper into a topic of interest, (2) help you develop your ability to read and understand academic research, and (3) help you improve your presentation abilities. The presentation, including questions and discussion, will be around 20 minutes. You should be prepared to discuss the following:

- (1) What is the main question of the paper?
- (2) Why does this question matter?
- (3) How does the paper contribute to the academic literature?
- (4) What is the research design and empirical strategy?
- (5) What are the main results of the paper?
- (6) What are some of the drawbacks of the research design?
- (7) Are there alternative explanations for the empirical results?

You must get the paper you wish to present approved by me. You will first choose a topic you are interested in, and then find a recent paper on this topic published in a high-quality economics journal. “Recent” means published in the last five years. High-quality journals include the following:

- [Quarterly Journal of Economics](#)
- [American Economic Review](#)
- [Review of Economic Studies](#)
- [Econometrica](#)
- [Journal of Political Economy](#)
- [American Economic Journal–Applied Economics](#)
- [American Economic Journal–Economic Policy](#)
- [American Economic Journal–Microeconomics](#)
- [Review of Economics and Statistics](#)
- [Journal of the European Economic Association](#)
- [Journal of Public Economics](#)
- [Economic Journal](#)
- [Quantitative Economics](#)
- [Journal of Urban Economics](#)
- [International Economic Review](#)

While ideally you pick a topic and then find a paper, if you are stuck, one approach is to the journals’ websites and look for an urban related paper you think is interesting. You can often filter results using JEL codes, for which “R” is the code

for urban and transportation topics. For those journals with direct links to all papers with an urban or transportation related JEL code, I have included the link in the list of journals above. Note that some papers that show up will only be tangentially related. For the Journal of Urban Economics, there is no need to filter the results.

Deadlines:

- October 18th: Propose your topic (1–3 sentences).
- October 24th: Propose paper to present. Include the URL to access the paper.

Homework and quizzes. 20% of your final grade will come from your homework and quizzes. There will be homework almost every week.

There are two types of homework assignments: short responses to a podcast, video, or reading, as well as problem sets. For problem sets, eighty percent of your grade is based on completion, and the remaining twenty percent comes from grading one or two answers for correctness. I encourage you to work in groups on your problem sets.

Homework must be submitted online as a single PDF. If you make multiple submissions, only the last will be graded. You can scan handwritten homework at the library or using a smartphone app such as Adobe Scan, Scannable, Dropbox, or Microsoft Office Lens.

There will be a quiz covering the syllabus and up to three additional quizzes during the semester.

A quiz is worth double a problem set or a virtual tutorial response.

As discussed in the section on accommodations, your worst two problem sets or virtual tutorial responses will be dropped.

For the purposes of academic integrity, the problem sets and virtual tutorial responses within a given third of the course are considered as one. This means the typical penalty for cheating on a problem set is receiving a zero for all problem sets in that third of the course.

7. IMPORTANT DATES

Date	Activity
Tuesday, October 18th	Midterm exam
Tuesday, October 18th	Submit presentation topic
Monday, October 24th	Propose paper to present
Tuesday, November 15th	Class presentations
Tuesday, November 22nd	Class presentations
Tuesday, November 29th	Class presentations

8. RESOURCES

Academic Success Centre. <http://www.studentlife.utoronto.ca/asc>

Accessibility Services. <http://www.studentlife.utoronto.ca/as>

Health & Wellness Centre. <http://www.studentlife.utoronto.ca/hwc>

English Language Learning. <http://www.artsci.utoronto.ca/current/advising/ell>

Office of Student Academic Integrity. <http://www.artsci.utoronto.ca/osai>

Writing help. <http://www.writing.utoronto.ca/>

9. ADDITIONAL POLICIES

This section contains policies that are standard across MPP-Munk courses.

Course Drop Dates. The last date to cancel F courses is Oct. 31, 2022. If you need to drop a course, please contact [Petra Jory](#).

Plagiarism. Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).

Class Attendance. Students are expected to attend every class. Those who miss more than one-sixth of a course due to illness or personal circumstances should inform their instructor and contact [Petra Jory](#) at MPP-Munk.

Accessibility Services. Academic accommodations are provided when you experience disability-related barriers that prohibit demonstration of your knowledge and skills. To receive accommodations, students must register with Accessibility Services. Accommodations are provided to level the playing field upon which you can establish your success. You are encouraged to inform yourself about options in this regard at the website for [Accessibility Services](#).

Academic Accommodations. Occasionally students will need to apply for an academic accommodation due to disability, illness, religious observance, or personal emergency. All requests for an academic accommodation due to disability are handled by the University of Toronto's Accessibility Services, as specified in the [Faculty of Arts and Science Academic Handbook, section 13](#). All requests for non-disability related accommodations are handled by the instructor and [MPP-Munk](#).

For disability-related accommodations, Accessibility Services staff will determine suitable accommodations on a case-by-case basis based on recommendation from health providers and with student input. If a non-disability related accommodation request is approved, a resolution will be determined by the instructor and may take the form of an alternate deliverable, deadline extension, re-weighted course grade calculation, make-up exam, or another solution deemed appropriate by the instructor. If an accommodation request is not approved, the missed or late deliverable will be subject to an academic penalty. The extent of the penalty is at the discretion of the instructor.

Crisis Support. Students in distress can access a range of free crisis lines available from the University of Toronto and City of Toronto: [Support When You Feel Distressed](#)

Most of these crisis lines are available 24 hours a day and some address specific problems that students may be experiencing. Immediate assistance is available as follows:

- My SSP for University of Toronto Students: 1-844-451-9700.
- Good 2 Talk Student Helpline: 1-866-925-5454
- Gerstein Crisis Centre: 416-929-5200
- Distress Centres of Greater Toronto: 416-408-HELP (4357)
- The Centre for Addiction and Mental Health (CAMH): 250 College Street (walk-in)

You are not alone: please get help if you're experiencing difficulties and are in distress.

If you are in immediate danger: For Personal Safety - Call 911, then Campus Community Police: 416-978-2222 (UTSG Police). Campus Community Police can direct your call to the right service 24/7/365.

Code of Behaviour on Academic Matters. Please read the University's [Code of Behaviour on Academic Matters](#). It applies to all your academic activities and courses. The Code prohibits all forms of academic dishonesty including, but not limited to, cheating, plagiarism, and the use of unauthorized aids. Violating the Code may lead to penalties up to and including suspension or expulsion from the University. You are expected to know the Code and inform yourself of acceptable academic practices — ignorance of the Code or the acceptable academic practices is not a valid defense if you are accused of a violation.

Academic Integrity. Case write-ups, papers, assignments, and all other deliverables must be original work, giving credit to the work of others where appropriate. This applies to individual and group deliverables. All members of a group are accountable for the academic integrity of their submissions. You are encouraged to consult the following sites to ensure that you follow the appropriate rules. Ignorance of these rules is not a defense in cases of violations, which can result in very serious academic sanctions. Please visit the [University of Toronto Academic Integrity](#) and the [UofT Writing Centre Resources](#) websites for further detail and help on the proper use of citations.

Group Work and Behaviour. You are expected to treat teamwork the same way as you would in any professional organization. This includes, but is not limited to:

- Contributing substantially and proportionally to each project
- Committing to a standard of work and level of participation agreed upon by the group
- Ensuring familiarity with the entire content of a group deliverable so that you can sign off on it with your name in its entirety as original work
- Accepting and acknowledging that assignments that are found to be plagiarized in any way will be subject to sanctions for all group members under the University's [Code of Behaviour on Academic Matters](#)
- Ensuring that all team members voice their opinions, thoughts, and concerns openly and in an inclusive and considerate environment
- Taking personal responsibility for voicing your own thoughts to enhance and contribute to the team learning

If you encounter difficulties with any group member that cannot be resolved within the group, please contact your instructor for guidance. Your instructor may refer you to the MPP Program Director for further assistance.

Class Recordings Policy for 2022–23. The Munk School is pleased to be planning for an in-person learning experience in the 2022–2023 academic year. We are not planning for fully online or hybrid courses. In the event of student illness or due to a formal accommodation, we will plan as much as we are able to provide video and audio or audio only recordings for required courses that have 50 or more registered students. Students should check with their program administrator if they are unsure which of their courses qualify. In order to receive access to these recordings, students will be required to send a written request to their professors. The professor will then approve the request and the student will receive a link (48–72 hours later) where they can view the missed lectures on a secure site requiring UTORid login credentials.

Students who miss smaller seminar classes and lectures will be required to catch up on missed content from classmates and/or through the course page on Quercus. Please be aware that missing classes in courses with participation grades will impact your ability to earn full participation marks. Participation grades and related policy are determined for each course by the professor. Should Toronto public health requirements or University policy necessitate re-visiting this policy, we will do so.

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