

Economic Development

Roistacher, Elizabeth “How Much Do Taxes Matter? What Economists Can – and Cannot – Tell New York City Policymakers” Citizen’s Budget Commission:

Citizen’s Budget Commission “How Much Do Taxes Matter? New York City's Tax Burden and Economic Competitiveness”:

Iaione, Christian (2007). “Local self-government, local public entrepreneurship and judicial intervention. The aftermath of global competition among local governments? (May).

Local public entrepreneurship is a concept which encompasses a variety of activities carried out by local governments to foster local economic development. The first part of this paper puts forward local public entrepreneurship as a windfall of the right to local self-government. In the second part two cases are presented - one from EU and one from US - where local public entrepreneurship is playing a major role. However, in the EU the ECJ jurisprudence is discouraging local governments from engaging in such activities thereby undermining the right to local self-government. By contrast, the US legal system actively encourages a high level of local public entrepreneurship for the production of urban services and infrastructure. The third and conclusive part of the paper addresses the implications of globalization for local development and questions whether normative action to regulate local public entrepreneurship shall be taken at the international law.

**Robert Wassmer, “Benefits of Growth”, Urban Land Institute:
*A primer on the economic benefits of municipal growth.***

Robert Wassmer, “An Economic View of Some Causes of Urban Spatial Segregation and its Costs and Benefits”.

This article explores possible economic explanations for spatial segregation.

Heim, Carol E. “Border Wars: Tax Revenues, Annexation, and Urban Growth in Phoenix,” University of Massachusetts, Department of Economics, Working Paper 2006-1.

Phoenix and neighboring municipalities, like many in the South and West, pursued a growth strategy based on annexation in the decades after World War II. This paper explores the link between annexation and competition for tax revenues. After discussing arguments for annexation, it traces the history of annexation in the Phoenix metropolitan area. A long-running series of “border wars” entailed litigation, pre-emptive annexations, and considerable intergovernmental conflict. The paper argues that tax revenues have been a key motivation for annexation, particularly since the 1970s. It then considers several related policy issues and argues that while opportunities for annexation are becoming more limited, competition for tax revenues (particularly sales tax revenues) continues to be fierce and to create dilemmas for municipalities in the region.

Nechyba, Thomas J. and Randall P. Walsh. (2004). “Urban Sprawl,” *Journal of Economic Perspectives*, (Fall) 18:4, 177-200.

This paper examines the role that insurance has played in dealing with terrorism before and after September 11, 2001, by focusing on the distinctive challenges associated with terrorism as a catastrophic risk. The Terrorism Risk Insurance Act of 2002 (TRIA) was passed by the U.S. Congress in November 2002, establishing a national terrorism insurance program that provides up to \$100 billion commercial coverage with a specific but temporary risk-sharing arrangement between the federal government and insurers. TRIA's three-year term ends December 31, 2005, so Congress soon has to determine whether it should be renewed, whether an alternative terrorism insurance program should be substituted for it, or whether insurance coverage is left solely in the hands of the private sector. As input into this process, the paper examines several alternatives and scenarios, and discusses their potential to create a sustainable terrorism insurance program in the United States.

MacGillivray, David. (2006). "The Role of the Finance Officer in Economic Development," *Government Finance Review*, (October) 22:5: 8-15.

A GFOA publication outlining the finance officer's role in his government's economic development planning.

Porter, "New strategies for inner-city economic development" 1997. *Economic Development Quarterly* 11 (Feb) 11-28.

Revitalizing America's inner cities requires an economic strategy to build viable businesses that can provide sorely needed, nearby employment opportunities. Economic development in inner cities will come only from recognizing the potential advantages of an inner-city location and building on the base of existing companies, while dealing frontally with the present disadvantages of inner cities as business locations. The economic potential in inner cities has been largely unrecognized and untapped. The private sector, which must play a central role in inner-city economic development, is just beginning to recognize this potential and has already begun investing. By improving perceptions and tackling long-neglected problems in the inner-city business environment, this trend can be accelerated. Government and community-based organizations have continuing, vital roles, but their efforts must be refocused from direct intervention to preparing and training the inner-city workforce and creating a favorable environment for business.

Dewar, "Why state and local economic development programs cause so little economic development" 1998. *Economic Development Quarterly*, 12 (Feb) 68-87.

Although evaluations show that state and local economic development programs have few effects on economic growth or redistribution of economic activity, explanations for the failures are incomplete. Technocratic explanations have dominated economic development research but cannot account for many program activities. Based on evidence from a Minnesota program, the best explanation emphasizes a perspective of bureaucratic and political imperatives. Economic development programs are not designed and implemented in ways that can achieve their goals, principally because of important political forces. Administrators must run a program to garner support of legislators, a governor, and opinion leaders for program survival. State and locally elected officials need economic development programs to deliver quick, visible projects in their efforts to solve their districts' economic problems, manage business climate politics, and achieve other aims. Achieving

implicit goals means that programs only occasionally undertake activities likely to achieve explicit aims.

Timothy J. Bartik, “Economic Development Strategies,” Discussion Paper, The Upjohn Institute, 1995,

This paper provides a guide to economic development policies for local government managers. Local economic development policies today include not only tax subsidies for branch plants, but also job training to provide workers to businesses, advice and support services for potential entrepreneurs, and extension services to help businesses modernize and export. To help local government managers, this paper suggests a number of guiding principles, including: local economic development should be pursued cooperatively across the local labor market; economic development programs should consider the quality of jobs created; tax subsidies are expensive per job created; development subsidies are more effective if the subsidy is frontloaded; high unemployment areas should be more aggressive than low unemployment areas in promoting job growth; many economic development services can be cheaply evaluated by business surveys.

Helen F. Ladd, “Spatially Targeted Economic Development Strategies: Do They Work?” *Cityscape: A Journal of Policy Development and Research*, 1994, 193-218.

Stephen T. Mark, Therese J. McGuire, and Leslie E. Papke, “The Influence of Taxes on Employment and Population Growth: Evidence from the Washington, D.C. Area,” *National Tax Journal*, March 2000, 105-124.

In this paper, we examine whether taxes are an important determinant of economic development in a metropolitan area. We examine employment and population growth in the District of Columbia and eight surrounding suburbs in Virginia and Maryland over the period 1969-1994. We explain much of the variation in population and employment growth rates across jurisdictions in the D.C. metropolitan area with fiscal, economic, and quality-of-life variables. However, with the exception of the personal property tax on business, taxes do not appear to be a deterrent to the location of jobs and people across the D.C. metropolitan area.