THE FEASIBILITY AND SIGNIFICANCE OF APPLYING THE MAIN STREET APPROACH TO PRESERVATION BASED ECONOMIC DEVELOPMENT IN CONTEMPORARY CHINA

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Abstract
On the basis of an analysis of some important factors which caused the grim situation of China's historic preservation, this thesis points out the necessity to rethink the relationship between economic development and historic preservation in contemporary China and learn successful experience from US preservation based commercial revitalization approach. In the second part, it makes a brief introduction and analysis of current situation of US historic preservation and the history, missions, and achievements of the National Trust Main Street approach in order to make a further explanation of the necessity of learning something in historic preservation field from the United States. The third part answers the question whether it is possible to apply the de-centered and locally based Main Street programs to China's contemporary context, and then it discusses some possible methods to apply the National Trust Main Street four-point approach to China in order to realize China's preservation based economic development. The last part summarizes the significance of applying this approach to China. This thesis aims to introduce this model to Chinese government officials and common people in order to make them better understand that preservation can be a catalyst for local economic development if appropriate strategies are adopted.

Comments
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MASTER OF SCIENCE IN HISTORIC PRESERVATION

2009

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This thesis is dedicated to my beloved families, friends and my instructors in China and in the United States.
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Chapter 1

The Existing Problems of Historic Preservation in China and the Necessity of Learning from the Successful Experiences of United States Preservation Based Commercial District Revitalization Approach

1. 1 The Grim Situation of Historic Preservation in Today’s China

Ancient and traditional Chinese buildings are being rapidly destroyed due to industrialization, urbanization and globalization and in the meanwhile more and more iconic buildings have been rising from the ground. While the Chinese people are still indulging in the so-called “prosperity,” numerous cities and towns of this country have already lost their unique features and are becoming less and less reminiscent of the past. After decades of destruction of ancient landmarks and historic buildings in order to make way for rapid expansion, many local Chinese governments have begun to realize the importance of historic preservation and are trying to protect what is left. However, some of these decision makers do not really cherish or care about the heritage itself. Their starting point for historic preservation is local tourism development. What is more, many government officials do not know what are the right methods of historic preservation, and some of them hanker for building pseudo-heritage and sometimes they are misled by the ideas of developers’, architects’ or planners’ who have not received professional
training in historic preservation and conservation. Under such circumstance, numerous historic buildings have been pulled down or ruined in the name of “reform or restoration,” instead a lot of pseudo-heritage have been created in order to develop new tourist attractions.

1.2 The Reasons behind the Neglect and Demolition of Historic Buildings

1.2.1 The Influence Comes from a Traditional Chinese Thought

It is known to all that China has a long, rich history with an almost unbroken cultural tradition extending back more than 5,000 years. However, very few historic buildings which were built in ancient China, such as the Tang Dynasty (618-907 AD), the Song Dynasty (960-1279 AD), the Yuan Dynasty (1206-1368 AD), remains to be seen by contemporary people. Most of the surviving historic buildings in China were built in the Ming Dynasty (1368-1644 AD) and Qing Dynasty (1644-1911 AD).¹ What makes numerous historic buildings cannot survive into today? One important reason that is ancient Chinese buildings were mainly built by wood which was very easy to catch fire, be damaged by worms, and be eroded by wind and rain etc, whereas, there is another deep-seated reason results from some Chinese traditional thoughts which might cause the man-made damage of the historic buildings.

For example, China has a tradition of “Po Jiu Li Xin” literally meaning: “remove the old and build a new one.” People used to regard the old buildings as the symbol of the corruptive concepts and cultures of the past regime. Hence, in ancient China some palaces of old regimes were burnt by insurrectionists in order to show people their resolutions to annihilate an old dynasty or that an old dynasty had been completely destroyed together with its corruptive concepts and influence.² The thought of “Po Jiu Li Xin” has its root in contemporary Chinese people’s mind, which leads some decision makers and common people do not treasure the historic buildings.

1.2.2 The Improvement of Residential Conditions of the Old City Areas

China is a developing country which has largest population in the world. “Based on these rates, it was further estimated that China had a total population of 1,321.29 million at the end of 2007, with 15.94 million births, 9.13 million deaths and a net increase of 6.81 million people during the year.”³ In the long run, Chinese government has to first focus on improving people’s living conditions. Among numerous Chinese cities

² The historic events that some palaces had been burnt by insurrectionists in ancient China were recorded in the following works:

and towns which have a very long history, many of them were the capitals of the central governments of different dynasties or the capitals of the local governments or small kingdoms in ancient times, (for example: Xian, Luoyang, Kaifeng, Hangzhou, Suzhou, Nanjing, Handan, Anyang, Datong, Yangzhou, etc.), and there were lots of historic buildings and other heritage (including intangible heritage, such as traditional performance arts, literature, traditional arts and crafts, folk tales, customs etc.) remain in these old cities whose respectively unique features were taking shape over a long period of time.

Nowadays, Chinese people still like to live in the traditional city areas owing to its favorable location, beautiful environment, long history and profound culture. For example, the old city of Hangzhou is very famous in China not only because it was the Capital of the State of Wuyue and the Capital of the Southern Song Dynasty but also because it has the most famous lake in China –the West Lake which is right located in the traditional city area. Today, most of the ancient cities (including all the cities mentioned above) are still playing the important roles as national, regional or local economic, political or cultural centers. With the urbanization and economic development, more and more people flow into the cities. The traditional neighborhood units, architectural styles and residential conditions of these cities do not fit for modern life anymore.

People want to live in more spacious, comfortable residences located in beautiful and safe communities with complete living facilities, and they want more convenient transportation systems and other modern infrastructures, etc.

Simply put, the dramatically increased population in the cities, the modern life style, and modern architectural and civil engineering technologies are some important factors which deal a deadly blow to the historic buildings and the unique features of these historic cities, and cause the prosperity of the real estate in these cities and towns.

1.2.3 Benefits Brought by Reconstruction of Historic Areas Drive the Behavior of the Government Officials, Designers, and Developers

In China, the current transformations of the old cities have been going on under the background of market economy. The compensation for the use of land, the commercialization of residential buildings and the introduction of diversified funds for construction have facilitated the promotion of large-scale urban renewal, and also produced the competition among multiple subjects of interests in current old city transformations. The real problem is the distribution of economic benefits among local governments, developers, the original tenants, and

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designers. The profit-hunting developers, impatient designers, and the quick success-driven local governments together have led to excessive alteration in the reconstruction of the traditional urban areas. From the local governments’ perspective, they hope that the transformation of the old city areas can promote rapid local economic development and adjust the layout of urban space in order to adapt to a scientific and rational use of land. The local governments also hope that the transformation of old cities can stimulate the increase of local financial income, shift some public welfare projects which should be conducted by the government organs to some developers, and minimize or avoid the negative impacts of the demolition in order to maintain social stability. Furthermore, the government officials want to show off their own performance through the city beautification movement in order to create good prospects for personal promotions. From developers’ perspective, the pursuit of profit maximization is what they want to do through the urban renewal. Hence, developers usually try their best to diminish the compensation for the relocated residents, reduce the tax and expense by striving for preferential policies provided by the government, cut down the construction areas of public facilities, minimize construction period, and interfere with the normal procedure for relocating the local residents. From the original local inhabitants’ perspective, they desire to improve their living conditions and maximize compensation. From the designers’
perspective, they hope that they can get as many design projects as possible and they can finish these plans as soon as possible.

1.2.4 Deficiency of Preservation Programs and Preservationists.

Architects, especially the ones specializing in Chinese ancient architecture program have undertaken the old city renewal projects without the participation of preservationists during the past sixty years, because there was no specialist trained in historic preservation expertise in China.

In contemporary China, very few universities have established the historic preservation or similar programs. In 2003, the first undergraduate level historic preservation program was established in the College of Architecture and Urban Planning at the Tongji University in Shanghai, and fifteen students graduated from this program in 2007.\(^6\)

Before that, a few professors taught some similar courses in architecture or urban planning programs in some prestigious design schools in China. The establishment of the courses and programs in the universities of a country usually depends on the needs and markets of the nation. Deficiency of university level preservation programs and practicing preservationists in China means that there is not yet a strong interest in the field among the general population of China. Additionally, no

economic incentives have been developed in China to support and encourage the rehabilitation of historic buildings. While the economic benefits of preserving historic structures has been recognized in the United States since the advent of the Federal Tax Incentives for Historic Preservation of 1976, the Chinese have not yet created any incentives for developers to reuse existing structures. So, it is not strange that China’s precious historic buildings have been demolished so quickly.

1.2.5 The City Renewals Act as a Stimulus to Economic Development

In the first place, a huge demand for investment will be created after tearing down the old buildings. In the second place, demolition of the old buildings can create passive demand for new housing because the original residents can only get compensation for the loss of their old houses, and they have to buy new houses. However, the compensation usually cannot cover the expense for buying new houses built in traditional downtown areas or relocating them to the original sites they lived in, because the prices of the land and the new houses built there have significantly increased. The new houses built in traditional old city areas are usually bought by the upstarts and investors. What is more, from the local government perspective, after the demolition, the vacant

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land can be sold to generate revenue, and the sale of housing is also an important source of tax revenues.

The development of real estate in numerous old cities and towns in contemporary China stimulates the construction of city’s infrastructure, public facilities and public transportations as well as automobile industry, and it also acts as a catalyst for the development of some basic industries, such as metallurgy, coal, petroleum, electricity, chemicals, machinery, and creates a lot of job opportunities and thus boosting economic development.

1.3 The Necessity of Rethinking the Current Relationship between China’s Economic Development and Historic Preservation and Learning Successful Experience from Preservation Based Commercial Revitalization Approach in the United States

After analyzing the reasons behind the neglect and demolition of historic buildings, on one hand, we should understand that China is a developing country, and at this stage China is still in the process of her industrialization and urbanization, and hence, pulling down some old buildings during the renewal of the old cities are unavoidable; on the other hand, we have to admit that some historic buildings could be well preserved if right decisions have been made and proper constructions and renewal plans had been adopted by local government officials.
It’s time for a complete rethink of the way we transform our old cities. However, currently no effective measure can be found to curb the spread of tearing down historic buildings in the process of urban renewal in today’s China.

It is impossible to persuade the local government officials and developers not to demolish the historic buildings if we only emphasize the value of the historic buildings but cannot provide them with some real success stories of preservation based economic development in other countries and cannot give them any practical way to apply the experience to contemporary China. Actually, most of people know the value of historic buildings and the importance of preserving the unique characteristics of a city, but they simply cannot resist the temptation of profits which can be easily and quickly obtained through the fast transformation of old cities.

The US National Trust Main Street Approach is a mature preservation based economic development model, and it has been proven practical and successful in 1,900 communities in the Unites States. At present, we should do is to introduce this model to China by explaining the organization structures and principal strategies as well as reciting the success stories of many local Main Street programs in order to make more and more Chinese people know this preservation based economic development approach. In the meanwhile, we should study how to apply
this model to China’s social context. Only in this way can we give local
government officials constructive suggestions of current urban renewal,
and make them rethink the relationship between economic development
and historic preservation in contemporary China.
Chapter 2

Introduction and Analysis of Current Situation of Historic Preservation and Preservation Based Commercial Revitalization Model - “Main Street Approach” in the US

2.1 The General and Brief Introduction of the current state of the Historic Preservation movement in the United States

The United States is one of birthplaces of Modern Architecture. Especially, Chicago is regarded as the birthplace of skyscrapers and modern high-rise buildings. The United States was established in 1776, and it only has a history of a bit over two hundred years. Therefore it is very easy for the people who have never been to this country to misunderstand that the United States only has modern and new buildings. Actually, there are lots of colonial buildings built in different architectural styles which are as old as or much older than this country. If foreign people pay a visit to this country, they will be surprised to see that the buildings in the United States are not as “new” or as “high” as they imagined, and there are a huge number of historic buildings which are over one hundred years old standing in cities and towns across the country. High-rise buildings, skyscrapers and two or three story historic residential and commercial buildings coexist harmoniously in New York.
City, Philadelphia, Washington D.C., Boston, and other cities across America.

Why do Americans preserve so many historic buildings and they set so great store by historic preservation? In my opinion, firstly, some historic buildings are the monuments of the spirit of the American independence and freedom which lead contemporary people to go back to the period that their ancestors fought for freedom, for independence, for equality and human rights; additionally, historic buildings record the whole process of this new country’s birth, development, and expansion. Secondly, nowadays the US is in the period of post-industrial stage, and what the US people care about is how to reuse the abandoned buildings in order to avoid the environmental pollution and waste of resources.

Personally, I think that the success of historic preservation in the United States should be mainly ascribed to at least four factors:

Factor 1: A Strong Preservation System

The success of historic preservation movement in the United States mainly lies in its strong preservation system which includes numerous privately owned nonprofit historic preservation organizations at both national and local levels, a complete preservation legal system at the local, state and national levels, and many effective historic preservation incentives at local, state and national level, etc.
There are over 4,500 preservation organizations, historical societies and programs dedicated to historic preservation and cultural resource preservation in the United States and Canada, and the number of the organizations in Philadelphia is about 240, NY is about 360, etc.\(^8\) The National Trust for Historic Preservation is one of the most famous national non-profit organizations dedicated to historic preservation, neighborhood revitalization and cultural resource preservation in the US. Besides numerous local and statewide private nonprofit organizations, there are some United States federal agencies that administer historic preservation issues such as National Park Service (NPS), Advisory Council on Historic Preservation (ACHP), State Historic Preservation Office (SHPO), etc. All of these agencies have their own historic preservation officers to administer the Section 106 of the National Historic Preservation Act.

There are different levels of preservation laws and regulations: federal level, state level, and local level. For example: The primary federal laws and regulations include National Historic Preservation Act (NHPA or Section 106), Archaeological Resources Protection Act (ARPA), etc.

In addition to the 20% Federal Investment Tax Credit for Rehabilitation, the federal government has other tax and investment credit programs, and makes grants to local governments and other entities for

preservation activities. Many state and local governments offer a variety of incentives which may include fee waivers, reduced parking requirements, signage, etc. for the preservation, restoration, rehabilitation, relocation or reconstruction of qualified historic buildings or properties. These regulations are intended to facilitate alternative solutions for such historic buildings or properties so as to preserve their original or restored architectural elements and features as well as meet safety, access, and energy efficiency needs.

Factor 2: A Multitude of Preservationists and Conservation Scientists, and Public Awareness of Historic Preservation

Since the Columbia University initiated the first graduate program in historic preservation in the United States in 1964, today (in 2009), there are 21 undergraduate programs in historic preservation in the US and there are 25 graduate programs in historic preservation in the US. 9 These historic preservation programs have cultivated large numbers of preservationists and conservationists for the nation. These experts have become the backbone of preserving US’s past. Moreover, many people in the US are aware of the value and significance of historic preservation.

Factor 3: Effective Preservation Models and Strategies

The preservation organizations create some successful preservation based commercial revitalization approaches, such as the Main Street Approach, the Community Initiated Development etc. These preservation

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9 Ibid.
models aim to educate and train people to take advantage of the historic buildings to develop their business and revitalize the communities.

Factor 4: Various Preservation Funding Sources

External funding is essential for many successful preservation related projects. The private and public sources of funding assistance are usually used for projects related to the documentation and preservation of historic places. Assistance types include grants, low-cost loans and tax credit programs. There are funding programs administered by federal, state and local agencies, as well as by private organizations. Eligibility, application requirements and level of competition vary according to the goals of each grant maker.

The Federal Government supports historic preservation through a variety of funding sources and technical assistance programs. The National Park Service is a major source of support, but preservation assistance is also available, either directly or indirectly, from many other agencies.

2.2 A Brief Introduction of the History and Mission of the National Trust

Main Street Approach

Before talking about the Main Street Model, a famous historic preservation organization in the US----National Trust for Historic Preservation should be first introduced. National Trust for Historic Preservation was chartered by Congress in 1949. The National Trust for
Historic Preservation is a privately funded, nonprofit organization that owns and manages historic sites, advocates public policy change, maintains a large popular membership, publishes a magazine, as well as provides leadership, education, and advocacy to save America’s diverse historic places and revitalizes communities. Today, National Trust has fourteen departments including Business & Finance, Communications & Marketing, Community Revitalization, Development, Law, Membership, Office of Diversity Initiatives, Preservation magazine, public policy, and Stewardship of Historic Sites etc. The National Main Street Center is currently housed in the Community Revitalization Department.

The brief history of National Main Street Center is stated as follows:

The National Trust for Historic Preservation’s National Main Street Center (NMSC) entered the arena of commercial revitalization in 1977. Motivated by a concern for the ever-shrinking stock of historic commercial architecture in America, the National Trust set out in 1977 to explore historic preservation’s potential as a commercial revitalization strategy. From 1977 to 1980, the Trust worked with three communities – Hot Springs, South Dakota; Galesburg, Illinois; and Madison, Indiana- to develop a grassroots, preservation-based revitalization strategy that looked at local economic circumstances, assessed development strengths and weaknesses, and focused leadership development, not in city hall, but in and among the multiple interest groups making up the foundation of a viable commercial center.10

Today, the National Main Street Center advocates a comprehensive approach that both rural and urban communities can adopt to revitalize

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their traditional commercial areas through historic preservation and grassroots-based economic development. The NMSC has created a network of more than about 40 statewide, citywide, and countywide Main Street programs with more than 1,200 active Main Street programs nationally. [Figure 2.1] - [Figure 2.4]

Although the Main Street Approach depends on a decentered grassroots model of advocacy and voluntarism, the local Main Street programs are under the guidance of the National Main Street Center.

Serving as the nation’s clearinghouse for information, technical assistance, research, and advocacy, the Main Street Center has led the preservation-based revitalization movement through consulting services, conferences, publications, membership, newsletter, and trainings, etc. Since its establishment, it has educated and empowered thousands of individuals and local organizations to lead the revitalization of their downtowns and neighborhood commercial districts. The National Trust Main Street Center summarizes its mission as follows:

The National Trust Main Street Center’s mission is to empower people, organizations, and communities to achieve ongoing downtown and neighborhood district revitalization based upon the principles of self-determination, resource conservation, and incremental transformation represented through the comprehensive Main Street Four-Point Approach™.11

11 National Trust Main Street Center.
Over its twenty-five years’ operation, the cumulative success of the *Main Street Approach*™ and Main Street Programs on the local level has earned a reputation as one of the most powerful economic development tools in the nation. The National Trust Main Street Center annually collects statistical information on economic activity in local Main Street programs nationwide. The following chart of Reinvestment Statistics shows us the economic success of the Main Street programs, and demonstrates that historic preservation can promote economic development. [Illustration 2.1]
These statistics are tracked from 1980 to December 2007 and reflect activity in more than 2,212 communities.

**Dollars Reinvested:** $44.9 Billion
Total amount of reinvestment in physical improvements from public and private sources.

**Average reinvestment per community (i):** $11,083,273

**Net gain in businesses:** 82,909

**Net gain in jobs:** 370,514

**Number of building rehabilitations:** 199,519

**Reinvestment Ratio(ii):** $25 to $1
The average number of dollars generated in each community for every dollar used to operate the local Main Street program.
Figure 2.1
The Distribution of the Main Street Programs Nationwide (in 1980s)
Source: National Trust National Main Street Center
Figure 2.2
The Distribution of the Main Street Programs Nationwide (in 1990s)
Source: National Trust National Main Street Center
Figure 2.3
The Distribution of the Main Street Programs Nationwide (2000-2005)
Source: National Trust National Main Street Center
Figure 2.4
The Distribution of the Main Street Programs Nationwide (2008)
Source: National Trust National Main Street Center
Chapter 3

The Feasibility of Applying the Successful Experience of the Main Street Model to China’s Historic Preservation Based Economic Development

3.1 The Reasons Why the Main Street Model Is Fit For China’s Current Situation

As stated above, the current situations of historic preservation between the US and China are quite different. In addition, China has no such a privately funded, nonprofit organization that provides leadership, education, and advocacy to save China’s diverse historic places and develop our economy as US National Trust for Historic Preservation. In China, Historic preservation issues and business issues are administered by two different government administrations: Since there are so many differences existing in these two countries, whether the strategies of the Main Street Approach are feasible for balancing the relationship between historic preservation and economic development? To answer this question, we should analyze if there are any common grounds between these two countries.
3.1.1 Common Task

In the US the main urban dynamic was decentralization. In 1950s, the explosive growth of shopping centers had an immediate and devastating impact on the traditional downtown retailer and service providers, and impact that continues today.

The Main Street Model was created in 1970s in order to encourage and assist people, organizations, and communities to achieve ongoing downtown and neighborhood district revitalization based upon the principles of historic preservation, self-determination, resource conservation, and incremental transformation and so on.

Different from the situation of the US, nowadays, although the cities in China are sprawling quickly and decentralizing or becoming multi-centered, the old (traditional) downtown areas are still the first choice of most of urban residents, and hence most of the shopping centers are still built in the downtown areas in China. The urbanization in China is going with the movement of rebuilding and beautifying the traditional downtown areas. Therefore, currently China is facing the same task that is to find a proper way or model to harmonize the relationship between historic preservation and economic development for downtown areas as the US does.
3.1.2 A Large Number of Grass Roots Need to Be Employed or Self-Employed

The Main Street Program has utilized a public-private partnership of private investment, local government support, and local non-profit assistance to revitalize historic commercial districts. The locally-driven, grass roots, self-help "Main Street Approach" seeks to make downtown a better place to shop, work and live. It is through a grass roots level of volunteer involvement that people embrace the programs, address the needs of downtown, and ultimately make it a place in which they are proud. So the employment and self-employment of the grass roots is the key to local historic commercial districts revitalization.

China has the largest population in the world, and correspondingly China has a large number of grass roots. Since China initiated the reform and opening-up policy, many publicly own factories and companies have been transformed to privately owned ones and a huge surplus of workers have been dismissed from their posts for different reasons such as lack of good education or training, age, etc. Some of these laid-offs already found their new jobs or began to run their own business, but some of them still have not found jobs. Actually, these years, Chinese government has spared no effort to help these grassroots to be employed again and encourage them to run their own businesses.

Since 1999, universities and colleges in China have begun to expand student enrollments. For example, higher education enrollment in 1996
is 966,000, but in 2006 the enrollment increased to 5,461,000. The quantity of students who graduated in 1996 is 839,000, and the number increased to about 4.13 million in 2006. In ten years, the number of the graduates increased nearly four times. So these years, it becomes more and more difficult for the students who graduate from universities and colleges in China to find good jobs.

How to help these people find jobs or carve out their successful careers become a hot issue in today's China. In order to comprehensively implement the scientific development concept and build a harmonious society, Chinese government has taken various measures, used a variety of social resources, and made a series of employment and re-employment support policies, and provided many forms and multi-channel assistance to help grassroots to find jobs.

Main Street Approach provides us a thought of how to address the employment, re-employment and self-employment problems concurrently with commercial revitalization and historic preservation issues at community level.

Besides the common ground between the two countries, there are some factors in current situation of China make it possible to apply the experience of Main Street Approach to China
3.1.3 A Large Number of Retail Businesses and Demand of Retail Market

In the late 1970s and 1980s, the traditional commercial districts and streets are well preserved in almost all the cities and towns in China. The residents knew where they should go to buy a certain thing they need. For example, if a native of Hangzhou wanted to buy a kind of hardware, he/she usually went to the “Zhong Shan Road”, and he/she would go to the “Qihefang” to buy Chinese medicines and Hangzhou traditional commodities. Actually, the department stores at that time did not influenced the business of these retail stores, because people felt that it was more convenient for them to buy daily used commodities from these retail stores located near or right in the communities (neighborhoods) they lived than walked a long distance to the department stores, and they knew what they could not get from the department stores but could get from these retail stores.

In 1990s, the supermarket began to debut in big cities in China. These supermarkets to a great extent stroke the retail markets in China. Some retail stores and small groceries bankrupted, because people found that they could get commodities cheaper from shopping centers than from the retail stores, and they can compare different brands of the same kind of goods and chose the ones they preferred, and they could buy different kinds of commodities they need in one time.
Although the appearance of the shopping centers impinged numerous retail stores in downtowns of the cities and towns in China in a period of time, the retail stores did not be wracked and ruined, and on the contrary many new retail stores sprang up like mushrooms after rain.

In today’s China, shopping centers and retail business have their own commercial orientation (commercial positioning). Shopping centers (supermarket, department store), and retail stores are playing different important roles in Chinese people’s daily lives. Although, supermarket and department stores both have various commodities, but if someone wants to buy formal business suit or expensive fashion brands, they usually go to the department stores or shopping centers which are positioning high price, famous and good quality commodities. People usually go to supermarkets in order for goods at fair price. However, young people prefer to go to the retail stores where usually fashionable clothing and other cheap but well designed stuff is on sale.

There are lots of small-scale, highly fragmented, local or community operating retails in cities and towns of China. Because of the Flexible mode of operation and enormous market demand, these retail stores have tenacious vitality in contemporary China.

Just because the prosperity of the retail market in China, it is necessary for us to study the Main Street Model in order to make sense how to take advantage of the historic districts, historic buildings to accommodate our
numerous retail stores, and in the meanwhile do our best to preserve the original features of the buildings, the districts and old cities.

Besides the aim of historic preservation, the Main Street Approach acts as a business incubator which not only provide technical support to encourages grass roots to run their retail business by empowering people, organizations, and communities to achieve ongoing downtown and neighborhood district revitalization based upon various retail stores, resource conservation, and incremental transformation represented through the comprehensive Main Street Four-Point Approach™. Meanwhile the National Main Street Center also provide financial support for these small business, and help grass roots to solve the financial problems they encounter when they begin with their own businesses.

In China, when beginning with their small businesses many grassroots retailers usually cannot get technical support and training because there is no such organizations as the US National Main Street programs can provide these grassroots businesses with the necessary technical assistance and services they need, and it is also very hard for them to get financial support from the state-owned commercial banks, which are the largest and most important financial resources to most of Chinese businesses, because these grassroots retailers have no credits record, and additionally it is usually impossible for these grassroots to obtain
financial support from other sources, because in China there are very few privately owned banks and non-government organizations which are authorized to provide financial support to entrepreneurs and retailers. The educational mode, the financial operation mode and fund raising methods of the Main Street model can be used as a reference for developing China’s grassroots businesses.

3.1.4 The Existing Problems in Transformation of the Business Streets Make It Necessary to Learn Successful Stories of the Main Street Approach

At Present, the transformation of the traditional business streets in China has become an important task of local economic development. Since 1990s, business streets of China have developed much quickly than ever. Many traditional business streets have been renewed, rebuilt or created in a short period of time. This trend is very popular even in some small towns.

However, there are some problems exist in present business street transformation such as the business streets were transformed with the same architectural language and construction mode, so that the city culture, especially the old commercial and cultural characteristics embedded in old business stores lost.

In the past few years, large-scale transformation of the traditional commercial districts resulted in high investment low returns, the destruction of old forms of architecture, and poor investment prospects,
and now some of them are even in danger of being re-reformed, for example the transformation for the Longfusi traditional business street (in Beijing) is known as the most famous failure.  [Figure 3.1] - [Figure 3.3]

The existing problems in transformation of the business streets make it necessary for the local government officials and business street administrators of China to look into the successful stories of the US local main street programs so as to find inspirations of how to preserve traditional features of a specific business street and take advantage of these traditional features to prosper its retail business.

3.1.5 Long-Term Partnership between China and Many International NGOs in China’s Various Fields Creates a Precondition for Applying the National Trust Main Street Approach to China

The collaboration between China and international non-government organizations (INGOs) have experienced a long-time exploration and running-in period. During the period, the two parties have realized the necessity and importance of the cooperation gradually. According to China’s current situation, mutual efforts and compromise is a prerequisite for the INGOs to enter China. From China’s perspective, the widespread acceptance of the concept of the Civic Society around the world, the attraction of international aid, and the internal dynamic of
China’s internationalization make the government allow the overseas NGOs to enter China.

In the past 20 years, China government has permitted some INGOs to participate in China’s construction and other activities in many fields, such as economic development, construction of Chinese legal system, community development, poverty alleviation and disaster relief, environmental protection and ecological maintenance, AIDS prevention and control, culture and art, public health, education, women and children’s health, birth health, etc. From the INGOs perspective, China is a new land that they want to bring the concept of civic society as well as its organizations and projects to. The majority of the INGOs have been taking active steps to collaborate with China’s government in order to get development opportunities in China. With these INGOs getting a far better understanding of the current situation of China, some of them have taken the self-censor strategies so as to avert the projects which might cause political conflicts and other troubles before applying for doing new projects in China. Simply put, the impact of globalization and the reform and opening-up policy adopted by Chinese government become the two major factors which result in the fast development of INGOs in China.  

With the development of INGOs in China, the scientific researches on INGOs have started in a number of NGO research institutions. For example the NGO research institute of the Qinghua University is the most famous one.

Through these years’ collaboration, the mutual understandings between Chinese government and INGOs have been promoted; and through these years' research on NGO and NPO, Chinese government officials and scholars have better understood the value of these organizations in contemporary China. Hence, the time is ripe for introducing this preservation based grassroots business incubator to China.

3.1.6 With Economic Development, China Needs Non-Government and Non-Profit Organizations to Facilitate the Communication between the Government Organs and Grassroots Business People

As a result of the economic reform, China economic system has changed from a planned economy to a market economy, and correspondingly the conduct of the government in China’s economic activities has changed from direct micro-management to indirect macro-control. (It means Chinese government at all levels no longer directly manages different enterprises and intervene the entrepreneurs’ decisions about economic activities, Instead, the central government controls the economic development by enacting relevant laws, making financial policies, adjusting interest rates, allocating subsidies, and using many other
possible methods.) However, this change caused a missing link between the government and enterprises, and in other words, in between governments and enterprises need some social intermediary organizations to connect these two parties. The social intermediary organizations should play the basic role of supporting the government and enterprises so as to optimize the allocation of resources. The social intermediary organizations (the Third Sector) should provide financial, technique support for the businesses, but at the same time these organizations themselves cannot be established for the purpose of profit.\textsuperscript{13}

China has many kinds of business and retail associations at national, provincial, local, borough (QU) and communities (Jiedao) levels. For example, China Association of Small and Medium Enterprises, Jiangsu Textile Industry Association(provincial level), Foshan Retail Business Association, Dongguan Retail Business Association, Shenzhen Retail Business Association (local level), the Jiangdong Borough (Jiangdong Qu) Cabinet Industry Association etc (the first Jiedao level industry association in Ningbo City). However, these associations are only some organizations that consist of a group of business people who run the same business or do the same kind of work, rather than business incubators. Currently there is no such a non-government and non-profit

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organization in China focusing on building the connection between incubating local grassroots retail business with preserving historic buildings. The introduction of the US Main Street model to China will fill the missing tooth.

Therefore, the need of non-government and non-profit organizations in economic development in contemporary China make it possible to introduce the Main Street Approach to China, and the difference between the Main Street organization and Chinese NPOs make it necessary to apply the Main Street Approach to China.

3.2 The Methods of Assimilating the Successful Experience from Main Street Model and Apply Them to China Will Focus around the Four-Point Tenets

The National Trust Main Street Center offers a comprehensive commercial district revitalization strategy that has been widely successful in towns and cities of the US. The four points of the Main Street approach: Organization, Design, Economic Restructuring, and Promotion which work together to build a sustainable and complete community revitalization effort. These four points become actions through the work of four corresponding committees that are formed to implement work. So, in order to understand the Main Street model, the first step we should start with the analysis of what inspiration we can
draw from the Four-Point tenets which have proven successful in more than eighteen hundred towns and cities throughout the United States.

3.2.1 Organization Strategy:

The US might have the largest number of non-profit organizations in the world.

“A May 2005 article from the NonProfit Times indicates that the number has recently risen to more than one million 501(c)(3) organizations”\(^{14}\) However, the article states that “this does not count those organizations with income of less than $25,000 (and therefore did not have to file the Form 990 with the IRS), pointing out that the true number is larger.”\(^ {15}\)

National Trust for Historic Preservation is the largest non-governmental non-profit organization which commits itself to preservation based commercial revitalization in the US. The National Trust Main Street Center is one program of the larger Washington DC based nonprofit organization.

The Main Street Organization Strategy clarifies the goals of the organizations and set up the principles of actions for the organizations with concise and cogent statement as follows.

The Main Street Organization Strategy aims at establishing consensus and cooperation by building partnerships among the various groups that have a stake in the future of the commercial


\(^{15}\) Ibid
district. Through consensus and cooperation, the revitalization program is able to provide effective, ongoing management of and advocacy for the district. Such organizations are inherently realistic and energetic; they are less likely to be taken in by unwise or expensive development schemes that are ill-suited to the community. Diversity of representation is a key element of successful commercial revitalization. Without representation from throughout the public and private sectors—local and regional government officials; local bankers, merchants and merchant organizations; the local chamber of commerce; property owners; Community leaders; and others—a vision for the future of the district is stunted, creative solutions are stymied, and the potential for successful, sustainable revitalization is severely limited. Good design, promotion, and economic restructuring cannot occur without an effective organization.16

The reasonable and sound organization strategy and structure of the Main Street Approach makes the success of the Main Street movement.

The National Trust Main Street Center ascribes the success and expansion of the Main Street movement, which initiated in 1977 (1980),17 to its wide network on three levels:

- Hundreds of local, grassroots-based revitalization;
- State, regional, and citywide coordinating programs that oversee local Main Street organizations; and
- The National Trust Main Street Center, which has guided the movement nationally. 18


17 In 1977, Main Street Project, forerunner of the National Main Street Center, launched by National Trust in Galesburg, Ill.; Hot Springs, S.D.; and Madison, Ind. In 1980, National Trust’s National Main Street Center three-year demonstration project established involving 30 communities in six demonstration states.

Among this three-level organization structure, the local main Main Street organizations are fundamental to the success of the Main Street Approach, because the success of the hundreds of local grassroots-based revitalization organizations are the key factor making the organization strategy a reality and leading to the growth of the whole preservation based community revitalization movement.

There are two types of organizational structures of local Main Street programs: A freestanding Main Street organization and Part of an existing organization.

A freestanding Main Street organization has a high level of autonomy, remaining accountable only to the community it serves, its funders, and its volunteers. Staff reports directly to the board of directors. 19 [See Illustration 3.1]

Local Main Street programs are usually housed in a nonprofit corporation established expressly to revitalize the commercial district or in an existing nonprofit organization. As part of an existing organization, the program can maintain relative autonomy, but must coordinate projects and fund-raising efforts with the parent organization. Similarly, Main Street staff in an existing organization often must report indirectly (or directly) to the parent organization’s executive director. 20 [See Illustration 3.2]

Each local Main Street program establishes a broad-based governing board that includes a variety of representatives from the community. Typically represented are business and property

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20 Ibid
owners, residents, city officials, financial institutions, schools, religious institutions, civic groups, preservationists, media, etc. The board (or steering committee in an existing organization) guides policy, funding, and planning for Main Street. An average-sized Main Street program usually has 40 to 60 active volunteers working on revitalization planning and implementation. Smaller downtown districts may have fewer active volunteers.

Local Main Street programs also establish committees that correspond to the four points of the Main Street approach — Organization, Design, Promotion, and Economic Restructuring. Committees consist of five to 10 people, on average, who plan and implement activities in each of the four points. Depending on the circumstances of the commercial district, the program may also create issue-oriented task forces, such as a Parking Task Force.

The local Main Street program hires a director to manage the program, coordinate volunteers, assist with program implementation, and act as a primary spokesperson for the organization. Staff members report to the governing board/steering committee. Depending on local needs and resources, the organization may hire more than one staff member. Often, additional staff will focus on a specific aspect of the revitalization effort, such as business development, property development, or coordination of promotional activities.21

China’s non-government organizations have developed rapidly since Chinese government initiated the reform and opening-up policy. For example, in 1950s there were only 44 national level non-government organizations, and in 1960s, the number of national non-government organizations is less than 100, and the number of local non-government organizations is around 6000. By 1989, the number of national non-government organizations had increased to 1600, and the number of

local non-government organizations had reached more than 200,000. By 1999, the total number of various forms of non-government non-enterprise organizations had increased to more than 700,000. Today, the non-government organizations non-profit organizations are widely distributed throughout many different fields.²² However, in contemporary China, there is no such a non-governmental non-profit professional organization as the National Trust for Historic Preservation, dedicated to the historic preservation and grassroots-based economic development.

Actually, owing to the difference in the social system between China and western countries, currently there is no typical Western type non-profit organization in China. Some well-known non-profit organizations such as All-China Youth Federation, China Women’s Federation, China Consumers’ Association, China disabled Person’s Federation, China Trade Promotion Council and organizations, all of which are truly the semi-official social organizations. The source of funds and the employees of these organizations mainly come from the relevant governmental departments. In recent years, the number of the non-profit organizations in China, which are similar to the non-profit organizations of western countries, has increased significantly. Whereas, due to lack of complete laws and regulations to define and regulate the activities of these non-

profit organizations, therefore usually they had to choose to be affiliated with a government department or register in a certain government department to become semi-official organizations just as the All-China Youth Federation and Women's Federation. Some others chose to register as ordinary profit-making companies. Many transnational non-profit organizations face the same problem when they want to develop their professional work in China.

Since 1990s to the beginning of 21st Century, the INGOs have started with their projects in China through the following methods:

- Set up the headquarters or branches in Hong Kong and Macao, and guided the operation of the projects in China mainland through these headquarters and branches.
- established a representative agency in Beijing and find a Chinese government organization or agency to be its official or administrative receiver. For example: Chinese Academy of Social Sciences is the receiver of The Ford Foundation in China.
- Set up their offices or branches in other cities of China. For various reasons, currently Kunming has the greatest concentration of INGOs in China.
- If the INGOs only establish a temporary office for a certain project, they do not need to register.
- Registered in a local Administration for Industry and Commerce as a
company, such as Nature Conservation (a US organization).

- If collaborate with a Chinese government organ or government-run NGOs, the INGO does not need register.
- Signed the “Memorandum of Understanding” with a provincial association for INGO cooperation. For example: There are at least a dozen INGOs signed the memorandum with Yunnan International Non-Government Organization Society and did their project in China legally.\(^2\)

These methods that other INGOs adopted when they entered China can also be used by the National Main Street. There are several prospective ways to apply the Main Street approach to China stated as follows:

**Method 1: Establish the Freestanding Main Street Programs in China**

Firstly, find a Chinese government organ or organization to be its receiver, for instance: China State Administration of Cultural Heritage, China NGO Network for International Exchange, or other relevant government bodies. Secondly, decide to set up the China’s Main Street Center in a big city of China, such as Hong Kong, Beijing, Shanghai etc., and decide to establish some freestanding Main Street organizations in other cities and towns which should be historical and Cultural Cities or Towns named by the State Council of China, such as: Nanjing, Suzhou, Yangzhou,

http://base.china-europa-forum.net/rsc/docs/doc_548.pdf (accessed May 2, 2009)
Hangzhou, Shaoxing, Kaifeng, Dali, Tianjin, Pingyao, Baoding, etc. Thirdly, apply for registration in Ministry of Civil Affairs of the People’s Republic of China, provincial and local Civil Affairs Bureau.

Since the Main Street Approach depends on a decentered, grassroots model of advocacy and voluntarism, so setting up appropriate local programs is the most important to successfully apply this model to China.

In China, Juweihui (the committee of Juminqu which is the smallest neighborhood unit in China) is a grassroots level mass organization which deals with daily affairs within neighborhood units or a certain community. It is a non-government organization which comprises of volunteers who are residents of the community, but it is under the guidance of the basic level branches of Chinese Communist Party. Jiedao (residential district administration or urban quarters administration) is the lowest-level government organ in a city, which usually takes charge of several Juweihui. Qu (district or borough) usually administers some Jiedao, and Shi (a city) usually comprises of several Qu. The administrations of Jiedao, Qu, Shi are all government bodies. The relationship of these government apparatus is explained as an illustration attached to this chapter. [Illustration 3.3]

Then, does Juweihui be able to organize the MSP? Juweihui is responsible for the public affairs in the community, for instance:
mobilize and organize people to carry out public health campaign; mobilize and organize the residents to maintain and improve the green areas in the community; assist the relevant departments to manage the rental housing with the residential area; report and prevent any illegal constructions in the community; assist relevant government organs to manage the affairs of tenants; strive to carry out safe and civilized neighborhood activities; mediate disputes and promote community unity and family harmony, assist relevant department to educate young people; provide public service, help laid-off workers and unemployed residents find their jobs, protect the legal rights of women, children, adolescents, elder people, disabled people; collect and convey the residents’ opinions to relevant government organs, etc. However, Juweihui usually is not able to provide the local grassroots business people with technique and financial support, because the funding of the Juweihui comes from the government organ (Jiedao or Qu), and the volunteers of the Juweihui are mainly composed of old residents who have retired from their positions and most of them have no experience in business management or related fields. If some experts in historic preservation, business management and other related fields can be recruited to fill in the local Main Street programs, Juweihui can organize the smallest Main Street program unit. Independent Main Street programs also can be established paralleling to the Juminqu 24 level, collaborating with Juweihui and focusing on

24 Juminqu is the smallest neighborhood unit in a Chinese city, and the committee of Juminqu is Juweihui.
preservation based local economic development. Personally, I think Jiedao is the right size to house the lowest-level Main Street programs, because the size of a Jiedao is equivalent to the size of a big community in the US. [Illustration 3.4]

Method 2: A Local Main Street Program Can Be Embedded in a Commercial Street Management Committee

In the US if an independent, private nonprofit organization whose express purpose is to revitalize the commercial district cannot be established for some reason, a Main Street program can be housed in a number of agencies or organizations such as City Government, Chamber of Commerce, Business Improvement District, Community Development Corporation, Merchants Association, Special Taxation District, or Downtown Development Authority.

Usually commercial streets are administered by commercial street management committees which are also government-oriented organizations. [Illustration 3.5] (They often are affiliated with QU or other relevant government departments.) [Illustration 3.6] The management committees usually are authorized by the local government to decide the development issues within the commercial districts or commercial streets, such as investment attraction, store lease, public affairs and activities, public facilities maintenance and management, and commercial street development. However, the committee is too powerful and sometimes the
decisions made by the administrators did not reflect what the retailers and the residents living in the neighborhoods really wanted.

One possible way to bring the Main Street methodology to China’s Commercial Street is to set up a non-governmental non-profit organization (for example: China’s Main Street Committee, abbreviated to CMSC) composed of four corresponding professional committees as the local Main Street organizational structure: design committee, organization committee, economic restructuring committee, promotion committee, in an existing government organ like the Commercial Street Management Committee. Each committee has its own strategy and responsibility, and collaborates with each other to make the preservation based economic development become reality in this district. The four professional committees consist of representatives of the local retailers and the residents, local administrators, and some preservationists etc.

Through this organization (CMSC) different voices of the district (or community) can be heard, and the representatives of the organization will have good and timely communications with the officials of the Commercial Street Management Committee and start a dialogue with the municipal government by conveying what people in this district really want. Establishing such a non-governmental non-profit local organization (CMSC) in the Commercial Street Management Committee
actually intends to transform the Commercial Street Management from a
government organ to a semi-official social organization which can provide
better service for the district rather than simply administer it. Additionally, the preservationists of the non-profit organization might
influence the Management Committee in decision making such as
preserving the features of the historic district. Furthermore, if someone
will be appointed the Executive Director of a Commercial Street
Management Committee which takes charge of a historic district or a
historic street, he /she should receive professional training or education
in preservation and will understand the importance of historic
preservation before that appointment. [Illustration 3.7]

Method 3: Register a Profit-Making Consulting Company in China
Another possible way is to establish a profit-making consulting company,
and this group of experts is comprised of organizations at three levels:
the national level (like the National Trust Main Street Center); the
provincial level (like the state wide Main Street programs), which would
provide assistance to local programs; and the local level (like Main Street
local programs), which consist of the four professional committees:
organization, design, economic restructuring, and promotion. Qualified
preservationists, designers, experts on economic issues who work for the
consulting company gives advice on historic preservation and economic
development in China’s numerous traditional business streets and
historic districts and provides the local grassroots businessmen and local residents with technical support such as market analysis, business information collection, and making restoration or alteration plans, etc. [Illustration 3.8]

Since China initiated the reform and opening-up policy three decades ago, China has learned lots of advanced knowledge and successful experiences in different fields from other countries. In the 21st century, economic globalization and the information network have linked us altogether. Different cultures interrelate with each other. No culture can flourish in isolation. What and how much a country can contribute to the culture of humanity are increasingly determined by her ability to absorb foreign cultures and renew herself. With the deepening of the reform and open-up policy in China, I firmly believe that the relevant laws and policies on such non-governmental non-profit organization will be improved and perfected in China. Hence, in the near future I think the Main Street organizational structure can be adopted in China, but perhaps it still needs to be tailored to fit for the situation in China today.

3.2.2 Promotion Strategy:

In China, some commercial streets have already achieved their national fame, such as: the Nanjing Road (in Shanghai), the Huaihai Road (in Shanghai), the Wangfujing (in Beijing), the Xidan (in Beijing), the Hubin
Road (in Hangzhou), the Wushan Road (in Hangzhou), the Guanqian jie (in Suzhou), the Fuzimiao (in Nanjing), etc. To most of tourists, visiting these commercial streets almost becomes a must if they pay a visit to the cities, because people want to find something unique and interesting in these business streets. However, according to the recent investigation of commercial consumption of the Wangfujing Commercial Street made by an institute, the sale of this street is not as high as expected. 25

It is said that the image of Wangfujing Commercial Street has undergone enormous changes after four transformations since a decade ago and, but the transformations did not prevent the declining trend in sales. Nationwide, the phenomenon of the Wangfujing Street is not an isolated case, and many business streets in the traditional central business districts of many metropolises are facing the same situation, such as Metropolis Street in Beijing, Tianjin Street in Tianjing City, Hanzheng Street in Wuhan, Jiefangbei Business Street in Chongqing, and the Tianjin Heping Road etc. After transformation and renewing the amenities and facilities in many business streets, the images of these streets have been greatly improved and become more attractive to visitors, but unfortunately, there has not been a substantial increase in sales.

25 The opinion partly comes from the paper “After the fourth transformation, is it possible for the Wangfujing Commercial Street to extricate itself from its predicament” written by Li Dong, General Secretary of the executive committee of the China Pedestrian Business Streets, which is published on the website of Sina Property. http://bj.house.sina.com.cn/scan/2007-07-10/1417201273.html (accessed April 6, 2009)
Researches on the success or failure of many modified business streets show that the transformation of commercial streets not only mean to improve the amenities, but more importantly is to adjust the commerce positioning, and make the commodities in line with the demands of today’s consumers in order to increase the consumption. 26

Besides the transformation of the famous traditional commercial streets in China new commercial street construction is becoming a new hot spot for commercial real estate. However, many problems exist in these new commercial streets, and the most prominent one also lies in the crisis of the unique features both in buildings and in commodities.

Today the competition of the retail sector is not only among the retail stores within a business street, but rather it is among commercial streets. It is wise for a commercial street to build its unique characteristics in order to maintain its long-lasting core competitiveness. Today, many efforts have been taken by the local administrators to build the characteristics of their own commercial streets and promote their business streets. For example, some local governments and developers are beginning to tap the commercial streets in their own local history and culture by combining the commerce with the tourism and cultural

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activities. Actually, these local governments are building their promotion strategies for their commercial districts.

Therefore, it is right time to introduce the Main Street Promotion Strategy to China so that the local government officials might take it for reference.

The Main Street Promotion Strategy is cited below:

Promotion sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing a district’s unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.27

Chippewa Falls (WI) Main Street program can be used as a good example to explain the promotion strategy. This community won various awards for excellence in historic preservation and economic development, especially in the promotion achievements, such as: 2002 State Best Printed Promotional Item: Images of America - Chippewa Falls, WI, State 1994 Best Downtown Special Event Award.

In Chippewa Falls, Wisconsin, seemingly limitless energy, innovation, and creativity are qualities that abound in the staff, board, and volunteers of the local Main Street program. Retail promotions, special events, and image and marketing campaigns run throughout the year to attract shoppers, visitors, and merrymakers. In a downtown that had no special events before Main Street came to town, there are now six. The biggest is the “Bridge to Wonderland” holiday parade, which draws up to 12,000 spectators.

for a nighttime parade led through the downtown by live reindeer. The Main Street program and its many collaborators throughout the community also sponsor events such as Pure Water Days, a Boat and Fishing Swap, and the Farmers’ market. Retailers benefit from cooperative print and television ads as well as specific retail events, and the entire district is boosted by the program’s image campaign, which blankets the region through television commercials. 28

Apart from this example, here are some methods used to develop an effective Promotion Strategy summarized from the promotion practice of the Main Street programs below.

Developing an effective promotional strategy first requires that volunteers understand the tools of promotion, such as the advertising, personal selling, sales promotion, and publicity. Promotion is an ongoing process that requires a great deal of work that goes into planning a final product. A strategy is simply a careful plan. The effectiveness of a strategy depends on the thoughtfulness and thoroughness of the planning and the consistency it can be carried out. The following steps outline the procedure for developing a promotion strategy.

Step 1: Identify the Business Street Itself
Make a list of all your characteristics including such things as location, facilities, price, and attractions, strength, weakness, opportunities and threats. It means the managers and businessmen should know the current identity of the business street themselves.

Step 2: Enlarge or Enhance Some Factors of the Identity in order to

Decide the Unique Features

Select and expand the most important identity which will distinguish this business district from others. Actually, it means enlarge the strength of the business district, and find the something special and interesting in the local district in order to build on its unique characteristics.

Step 3: Target Specific Consumer Groups

Different groups of people have different interests and consumption ability. For example: youngsters like fashionable and cheap goods, old people may pay more attention to the quality of the goods, wealthy people may concern about both the quality and scarcity of goods, middle class are interested in something inexpensive but good quality. In addition, other factors include local customers or visitors, repeat or first-time visitors, families or singles. A business street had better target its major consumers, although each retail store might be slightly different.

Step 4: Establish the Objectives

Establish the objectives means to define the goal and outcome of the promotion strategy, the intended results (what is difference before and after promotion), including timing, cost, change necessary, how many volunteers are needed, which people will be influenced by the promotion.

Step 5: Make a Reasonable Budget
Budget the cost carefully for the promotion campaign. Set up the strategy according to the principle that the only promotional strategy worth anything is the one that is cost-effective.

Step 6: Decide What Activities Should Be Organized
It means what special events will be designed and organized in order to improve the sales in this commercial district, such as fashion design show, parade, exhibitions, special bazaar, competitions and so forth. These activities can be organized once a week, once a month or annually or according to the requirements of the local promotion strategy.

Step 7: Develop Advertising Campaigns
Take advantage of different kinds of media to publicize the commercial district including TV advertisement, posters, brochures, postcards, newspapers, and internet. Different potential consumers obtain their information from different media, and one must use a variety of means to communicate the message. Today, more and more people use the internet to explore what they want to know. In the US many Main Street programs have established their own websites where people can find almost any information about the commercial district including histories, cultures commercial activities, and their strategies. The following words represent the attitude of the National Main Street Center about the website tools.
Online tools from social networking venues like Facebook bring customers to the websites of Main Street business and introduce Main Street to a broader (and, often, younger) audience. To help local businesses capitalize on the power of the Internet, your Main Street program can provide workshops, training, and resources to business owners on ways to use these tools. The City of Fairfield (Calif.) and its Business Improvement District offer business owners a “How to Make it Through an Economic Downturn” workshop series, which features training in e-commerce, blogs, and digital advertising.

Advanced website tools can help you motivate people to action – the publisher of Flagpole Magazine, an entertainment rag for Athens, Ga., currently has a “Shop Your Ath Off” campaign that asks readers to pledge online to spend $100 of their holiday shopping dollars in Athens and enter to win local gift certificates. Downtown Lee’s Summit (Mo.) uses its Facebook page to update people on the latest happenings, ranging from holiday events to the availability of wifi downtown. It also lists downtown businesses that have Facebook pages. In less than two months, almost 300 people have become “friends” of the organization.

At present, many retailers and managers of business streets in China have not recognized the online advertising is a faster, cheaper, and more convenient and effective way compared with traditional media. Some business people have already understood the importance of take advantage of the internet, but they need technical support to create and maintain their websites. There are lot of valuable experience can be learned from the US counterparts in this field.

Step 8: Evaluate the Strategy Frequently

Evaluate the strategy regularly to see how effectively it is working and whether you have made progress in meeting your established objectives.

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This is where the objectives come in handy. Maybe one year is a reasonable cycle to review the promotion strategy to see if it works because promotion is a process and promotional effects can be cumulative and changes can be made.

To sum up, the Main Street promotion strategy and promotion practice can give Chinese business street managers and business people an inspiration of how to market their commercial street as a whole, and how to take advantage the most advanced technology to advertise their commodities and business culture.

3.2.3 Design Strategy:

Customers want to do business in an attractive and inviting environment, not in one that is run down or not well maintained. Property owners must expect that their commercial buildings can generate adequate rents, and local governments want to improve the quality of life for their citizens, and so downtown business districts must be attractive for shoppers. In order to reach these goals, design and the physical changes of the historic commercial districts must be carefully managed.

Today, managing design changes that take place in downtown and neighborhood commercial districts becomes a critical part of successful
revitalization strategies in the US. The US National Main Street Program describes its Design Strategy as follows:

Design means getting Main Street into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.30

The National Main Street strategy points out the contents of design activities, purpose and results. It is a general principle, and local Main Street programs realize the strategy in various practical ways according to their own situations, from restricting design options through zoning regulations to offering financial incentives for desired improvements. Changes on Main Street are taking place gradually with the support of the people who live in the district. Simply put: the Main Street design strategy focus on each specific historic commercial district or community and it is a long-term step-by-step preservation based commercial revitalization plan.

Compared with the cogent Main Street design strategy mentioned above, for a long time, designers in China followed the principle: “Xiu Jiu Ru Jiu” which literally means: repair the old buildings and make them look like the old ones. But the principle “Xiu Jiu Ru Jiu” is disputable, for some Chinese preservationists and architects think the principle should be explained as: “repair the old buildings as they were originally built.” In my opinion, it should be explained that the management of physical changes in historic districts including building rehab, public space improvement and so forth, must respect the existing architectural environment, and the economic, historic and emotional values the historic districts encompass. However, no matter which explanation is better, the principle itself is too simple to be strictly followed by Chinese designers.

Guiding design on Main Street, however, involves more than just finding ways to make its older and historic buildings economically feasible. It encompasses preserving and enhancing a way of doing business, of involving the public in community decisions and of looking at the future. It means pointing out the district’s special qualities and helping others appreciate them. And it involves using the districts’ unique design characteristics to set it apart from other commercial areas, giving it its own unique marketing identity and making preservation, in an economic sense, a reality.  

Today, the Chinese Central government and local governments have enacted various regulations, laws, principles, and policies to regulate design practice and interventions in different historic districts. There is

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no very detailed locally focused design strategies which are made for preserving both the unique features of a certain local historic district and a single historic building. In other words, China is missing a design strategy to preserve historic buildings.

In my view, the lack of a practical “Main Street style” design strategy which contains short-term and long-term planning in preserving the historic cities and towns of China is one of important factors which causes the loss of unique features of these cities and towns in the process of transforming these historic districts for real estate and local commercial development.

It is necessary to set up a specific and practical design strategy for a historic city or town of China to guide the on-going planning and design practice and stimulate economic development in the historic areas of a city or a town. This practice deserves much attention and should be dealt with as soon as possible.

Here, I don’t want to talk about the “design” issues such as skills and methods to restore or beautify historic buildings and historic districts. Rather I care more about why we need and what we should do to establish the design strategies according to the different situations of China’s historic cities based on the Main Street Design Strategy. In my view, in China there are plenty of very experienced conservators and
skilled workers who grasp the technology to restore Chinese historic buildings. However what some of the Chinese local government officials, common people, and conservationists lack is a proper attitude toward physical changes of the historic buildings and historic districts, and a standard to evaluate what kind of design is fit for a certain historic building and a certain historic district.

China needs to set up a design management strategy to be used by local design committees. The purpose of the design management strategy is to harmonize the relationship between historic preservation and economic development in a specific historic district in China.

Step 1: Set Up a Design Committee Led by the Local Preservation Organization

Which Is Responsible for Making and Executing the Local Design Strategy

In the US each local Main Street program has its own design committee which focuses on the design and physical change issues in its own community or district. Because the volunteers of the design committee are familiar with the local historic buildings and the unique features of the community (district), and they know the strengths and weaknesses of the businesses in the community (district) and what the local grassroots really want. The committee not only can make a very practical and reasonable design strategy to improve the current physical conditions of the historic buildings but also can create a very inviting atmosphere for the new businesses. Additionally “The Primary tasks of a design
committee will naturally, vary in each community. They will also vary depending on the age of the revitalization program. During the first few years, much time is devoted to gathering and analyzing data and understanding the built environment, coupled with start-up programs. As the revitalization effort matures, the design committee’s roles shift to implementing, refining and enhancing their projects.\textsuperscript{32}

Currently, in China, some provinces and cities have their own Research and Design Institutes for Historic Buildings, such as: Zhejiang Provincial Research and Design Institute for Historic Buildings, Suzhou Jicheng Research and Design Institute for Heritage and Historic Buildings etc. These Research and Design Institutes for Historic Buildings are in general publicly owned but are usually composed of many privately owned small design companies which do not focus on a single historic district, and they do their preservation, conservation and new construction projects both locally and nationwide.

A city’s or a town’ official or non-profit preservation organization in China should establish its own preservation design committee focus on the design and restoration issues of its local historic district, which is composed of both qualified professionals and local volunteers including preservationists, conservators, city planners, architects, landscape

\textsuperscript{32} Ibid
architects, interior designers, graphic artists, sign painters, artists, some clients, and many other potential members. Different from other design committees and design companies in the city, personally I think the expert specializing in historic preservation should chair the design committee, because it can prevent the committee from deviating from its original tenets.

Before the design committee makes a specific design strategy for a certain historic community or district, some necessary investigations and research should be done first.

Step2: Network and Establish Relationships with Local Design and Construction Professionals, Establish Relationships with Local Officials, and Local and State Design Organizations and Agencies

In the US, the committees of the Main Street program are mainly composed of and administered by the local grassroots volunteers themselves except for some executors employed by National Main Street Center. Most of the committee members are volunteers, rather than permanent employees. They might be architects, preservationists, conservators, lawyers, engineers, students or city planners. The committees of local Main Street programs keep in close touch with these local design and construction professionals, local government officials and experts of other local companies and agencies in order to obtain technological, financial support and manpower. Below, I cite the
networking plan between the Main Street design committee and other US national and local organizations which is proposed by Richard Wagner a famous scholar in Main Street research.

- **Establish Relationships with Local Design and Construction Professionals**
  In addition to looking for its own members from among design and construction professionals in the community, the committee should develop working relationships with architects, landscape architects, building contractors, artists, interior designers, sign makers and other design and construction professionals. The committee should:
  1. Develop means to inform these people of the design philosophy held by the revitalization organization and
  2. Establish ways to educate local design and construction professionals about appropriate rehabilitation and new construction, and building and public space maintenance and repair.

- **Establish Relationships with Local Public Officials**
  The committee should establish close working relationships with public-sector officials involved with the built environment—zoning and building code officials, fire marshals, planners, community development staff and staff of historic preservation or design review commissions. The committee should understand the codes and ordinances that these officials oversee and implement and the procedures for review and compliance. In turn, committee members should ensure that the officials understand the design philosophy and programs of the revitalization organization.

- **Establish Relationships with Local and State Design Organizations and Agencies**
  The committee should establish working relationships with professional organizations involved in design and historic preservation such as the American Institute of Architects (AIA), which has local, regional and state chapters as well as a national organization; American Planning Association (APA); which has state chapters and a national organization; the state historic preservation officer (SHPO); and other organizations, such as the Commercial Builder’s Council of the National home builders Association, that can provide information and assistance. In addition, the design committee should obviously establish close working relationships with the promotions and economic restructuring committees of the
revitalization organization to ensure that their programs, projects and work plans are mutually supportive. 33

In China, The Richard Wagner’s networking proposal for Main Street program also can be applied equally to the networking between the proposed preservation design committee and local government officials, local design institutes and with Local and State Design Organizations and Agencies etc. Actually, the design strategy cannot be realized if it cannot be approved by the relevant official administrations. So the design committee should keep in close touch with the local government officials and try their best to make the officials understand and accept their design philosophy and the design management program. Meanwhile, the design committee should collaborate with other professionals because the proposed design committee usually cannot accommodate so many professionals with various training backgrounds.

Step 3: Investigate and Evaluate the Current Situation of the Historic Buildings in a Historic District

Investigate the historic district especially the surviving historic buildings in order to make a correct evaluation on the current conditions of these historic buildings, and decide which buildings need restoration and what methods should be adopted to restore the buildings.

33 Ibid
The investigation methods include: photographing, measuring, recording and documenting, decay monitoring, interviewing, etc.

The investigation contents include: the material of the buildings, the decay and weathering situation of the buildings, the current function of the buildings (commercial, residential, or mixed use, industrial, storage, etc.), the unique characteristics of the buildings (structures, arts, etc.), the history of the buildings, architectural technologies, etc.

After evaluating current situation of these historic buildings based on the data and documents got from the investigations, the decisions on which buildings need to be restored, which buildings do not need any alteration, which buildings are too raged and already lost their historic value so that can be demolished, and which buildings in the historic districts were recently built and have no historic value, can be made. The answers to these questions actually already become part of the design strategy. All these evaluations and conclusions should be drawn in a very careful way by leading experts in preservation and architecture and supervised by other authorities.

Step 4: Do a Comparative Study on the Images of the Historic Districts in the Past and at Present Day

Historic photographs can serve as a valuable aid in identifying original features of buildings that have been altered over the years. Look for old photographs in local libraries, historical societies, newspaper files, photography studios, local histories, family
collections, centennial booklets and other community celebration publications. Another way to track down old photos is to place a classified ad in the local newspaper; such as notices usually elicit a good response.\textsuperscript{34}

In many China cities, pictures of historic buildings and maps of cities in different period of times are well kept in libraries and local archives, and researchers can find the information and images of an old building or a historic street they need perhaps from a photo album, an old book, an old postcard, an old Newspapers, and an architect’s or a builder’s drawings. Today the further study of these old documents is very important for any design review program. What the design committee staff should do now is to try their best to obtain the pictures taken in the past and other old written documents, and then they should analyze and summarize the pros and cons of the previous alterations to these historic buildings and the positive and negative influence of the alterations on this historic district by comparison with the pictures of the currently surviving historic buildings and current streetscapes of the district. In addition, the conclusion of the comparison and analysis should be written down with the comments of the experts in historic preservation (or in other related fields) and the results of a public opinion survey, and maybe other necessary investigations. All these research documents should be kept in an archive in order to be looked into as a reference in

\textsuperscript{34} Ibid.
making the design strategy and in the future design projects. These studies should be led by very experienced local scholars specializing in history, historic preservation or relevant fields, and it is necessary to interview some senior local residents who might provide some very valuable information about the past images of the historic district.

Step 5: Set up a Locally Focused Design Strategy Based on the Recent Investigation and the Comparative Study

“It is always best to know what is happening in the design, rather than the construction phase, for in the later it is often too late to make constructive recommendations.” 35 When the design committee finishes the investigation and the comparative study, the prototype (rudiments) of the new design strategy emerges. Now, what the design committee should do is to sort the data and information obtained and make a further analysis of what kinds of appropriate methods should be taken to prevent decays, restore the historic buildings, solve traffic and parking issues, encourage improvements of the buildings and public spaces, help business owners improve window and in-store displays and other related activities similar to the US Main Street design strategy (Other contents might include how to create signage logos, POP advertisement and many other graphic devices that could identify the business and historic district.) in order to create an attractive, coordinated and quality image

35 Ibid.
for the historic district or neighborhood by capitalizing on its unique assets and heritage.

..., encouraging appropriate design changes is critical to the economic vitality of the district. Early in a revitalization program, the committee must become familiar with the district, analyze what should be preserved and enhanced, know the regulations that affect design and develop method to encourage good design on the part of both the private and public sectors.36

In China, vacant or abandoned buildings can hardly be seen in the traditional center cities. If an old building is abandoned most probably that local government and the developers want to demolish it, or it is too raged to be restored (it becomes the dangerous buildings). So the local design strategy should evaluate whether an old building should be torn down or should be adaptive reused. In contemporary China, the criteria for determining the demolition or preservation of a historic building might be the one of most important contents in a local design strategy. Moreover, a local design strategy should outline the practical ways to balance the new construction and the preservation of the whole features of the district rather than simply several isolated historic buildings.

Step 6: Educate the Community and Government Officials about Good Design

People who have lived or worked in a historic district for a long period of time often become indifferent and numb to its qualities and historic values. Some people even expect some changes that actually may

36 Ibid.
destroy these valuable heritages. The Main Street programs have accumulated a very rich experience in how to educate these local residents and local government officials and help revive their interests in architectural heritage of the district and help convince historic building owners of the need for proper maintenance and appropriate improvements.

Some local Main Street programs arranged the walking tours especially for educating local residents rather than simply for the tourists. The Wisconsin Mains Street Program developed a walking tour brochure, named “Take a Walk on Main Street—Historic Walking Tours in Wisconsin’s Main Street Communities”\textsuperscript{37} with descriptions and pictures of important buildings, as well as a map and brief history of the city (the districts), which guides people to better know the historic buildings and history of their own communities. In the US, the assistance in developing guided tours can be obtained from the state office of historic preservation, state or local preservation groups, local historical societies, state arts and humanities councils, schools of design or architecture and design professionals.

It is very easy to be and actually it was always overlooked to educate the local people and local government officials to recognize the value of the historic districts they are living in, the heritage they have, and what are

\textsuperscript{37} Ibid.
good designs and appropriate alterations to the historic buildings and districts. Taking advantage of the experience of the Main Street programs in educating local people, at present, I think there are some measures can be taken in China to educate the local people and officials stated as follows:

Organize some monthly or annually guided tours for the local people and officials, which conducted by preservationists or someone trained in historic preservation, history of architecture or local history. A walking tour led by such an expert will offer real insights into the history and architecture of specific buildings, observations about their physical condition and discussion of inappropriate changes to various buildings. The expert might also show the local people the public improvements and their role in shaping a community’s or a district’s image. However, the problem is that currently in China it is hard to find enough experts who received very good trainings in historic preservation or relevant fields and in the meantime they have work experience in that city and know the local history and historic buildings very well. Since the education walk tour held once a month or several times a year, possible choices might be training some tour guides and some graduate students majoring in related fields, hiring some retired professors specializing in local history or history of architecture, or inviting some architects or planners who
specialize in preservation planning or design to be the part-time preservation guide.

Besides this educational walk tour, there are many other educational activities or tools we can learn from the Main Street programs, such as edit and publish some architectural guidebooks and brochures of local histories which contain broad and detailed information of the historic districts, create a slide show or a photo exhibit, launch a photo quiz in the local news paper each week, and introduce the knowledge of local historic buildings to local youngsters in creative ways etc. These Main Street educational tools are one by one listed below in order to analyze how to tailor them to fit for China’s current situation.

Some towns have put together brief pocket guides that describe predominant building styles, point out significant details and explain basic architectural terms. Other towns have published local histories that show how buildings shape a community’s character. In Hastings, Minn., for example, the Heritage Preservation Commission compiled a pictorial history of the community from 1860 to 1985. The book contains nearly 100 historic photos of downtown and neighborhood buildings and an appendix that includes design guidelines for downtown buildings, the Secretary of the Interior’s Standards for Rehabilitation and a listing of preservation resources. 38

In big bookstores of most of the cities in China such as Beijing, Nanjing, Suzhou, Hangzhou, Xian, and so forth, people can easily find different kinds of books introducing these cities’ long history, splendid culture,

38 Ibid.
and local historic landmarks, and some of these books focus on one or several types of Chinese traditional residence, such as “Beijing Siheyuan Jian Zhu”39 (the Courtyard Houses in Beijing), Beijing De Siheyuan Yu Hutong40 (the Courtyard Houses and alleys in Beijing), Wan Nan Gu Min Ju (Ancient Residence in South Anhui Province),41 Suzhou Gu Min Ju (Ancient Residence in Suzhou)42 However, I never found a book recording the detailed and complete information of all the remaining historic buildings of a city out of these publications. I think what we should do is to publish some books and brochures focusing on comparing the images of all the remaining and already demolished local historic buildings before and after the design (alteration) intervention based on the documents we already have and new documents we need to

39 A siheyuan (Chinese: 四合院; pinyin: sìhéyuàn) is an historical type of residence that was commonly found throughout China, most famously in Beijing. The name literally means a courtyard surrounded by four buildings. In English, siheyuan are sometimes referred to as Chinese quadrangles. Throughout Chinese history, the siheyuan composition was the basic pattern used for residences, palaces, temples, monasteries, family, businesses and government offices. In ancient times, a spacious siheyuan would be occupied by a single, usually large and extended family, signifying wealth and prosperity. Today, however, most remaining siheyuan are used as mass housing complexes, and suffer from a lack of modern amenities. http://en.wikipedia.org/wiki/Siheyuan (accessed March 31, 2009) Ma, Bingjian. Beijing Siheyuan Jian Zhu. Tianjing: the Tianjing University Press, 2004.

40 Hutongs (simplified Chinese: 胡同; traditional Chinese: pinyin: hútòng) are narrow streets or alleys, most commonly associated with Beijing, China. In Beijing, hutongs are alleys formed by lines of siheyuan, traditional courtyard residences. Many neighbourhoods were formed by joining one siheyuan to another to form a hutong, and then joining one hutong to another. The word hutong is also used to refer to such neighbourhoods. Since the mid-20th century, the number of Beijing hutongs has dropped dramatically as they are demolished to make way for new roads and buildings. More recently, some hutongs have been designated as protected areas in an attempt to preserve this aspect of Chinese cultural history. http://en.wikipedia.org/wiki/Hutong (accessed March 31, 2009) Weng, li. Beijing De Siheyuan YU Hutong. Beijing: Beijing Fine Arts Photograph Press, 2003.


collect by the new research mentioned above, adding brief introductions of the histories and values of these historic buildings and the comments on the results of the design (intervention) from the experts in historic preservation or in local history and cultural studies on the publications. Hand out these brochures to the local residents. I think it is one of the best ways to make the local people pay attention to the historic buildings surrounding them, and help people know what kind of design and intervention is good.

Another method of raising public awareness about the need for design management is to create a slide show or a photo exhibit contrasting historic and contemporary photos of downtown buildings. In Beaufort, S.C., for instance, the Main Street project worked with historians and architects to gather old photographs and information about downtown Beaufort. The information was then given to downtown business owners so they could include the history of their buildings in window displays. This project educated both building owners and the general public about Beaufort’s heritage. 43

Today, a slide show and a photo exhibit have become a popular way adopted by many Chinese local governments to show the public the design plans, contrast the current images and future ones, and carry out a poll. I have attended some of these photo exhibits in Hangzhou and Shanghai since late 1990s, and I found that many local residents showed great enthusiasms for these exhibits and flocked to the exhibitions. After viewing the exhibitions, many people chose to write down their suggestions on the guest books. However, most of these exhibitions held in China’s cites was for new constructions or overall renovation projects

of some districts. However, this method of raising public awareness reminds me of the possibility to add some seminars to the slide show or the photo exhibit and invite the local officials and local residents to attend it in order to educate them what are the good designs both to historic preservation and local commercial development by using the multimedia and by discussion. Although most of the local residents and local governmental officials care about the renovation projects happened in their districts (communities), usually they don’t have professional knowledge to differentiate a good design plan from an awful one. In the seminar, local governments, local residents, and professionals can communicate and discuss the design plan together, and the professionals can take advantage of this opportunity to tell people their criteria for historic preservation and commercial development, and in the meantime they can know what government officials, businessmen, and local residents really want and answers can be created in real time.

One of the simplest ways to stimulate interest in a community’s architectural resources is to launch a photo quiz in the local newspaper. The quiz could feature a different architectural detail every week and offer a prize for the person who correctly identifies the most features. In Salisbury, Md., a newspaper photo quiz offered a $100 prize each week to the first person who correctly identified that week’s architectural detail. Each photo was accompanied by a brief explanation of the detail’s significance. 44

It is a good idea to make local people to pay attention to the historic buildings in their communities, districts, and cities. In contemporary China, newspapers are still one of the most important media that people get their information and news from. But I think besides the photo quizzes, maybe some local newspapers could add a serial column for introducing the history and characteristic of the local historic buildings,

44 Ibid.
the ways of adaptive reuse these historic buildings, and contrasting the images of the historic buildings before alteration with the ones after alteration. Each day the newspaper might focus on introducing one local historic building to the local readers. The investigation and research achievements organized by the local design committee which mentioned above also can be published in a local newspaper. Publishing these research results in a local newspaper not simply in an academic periodical because it can be read by governmental officials and local people and make them be aware of what are the proper ways to design for and make alterations to the historic buildings, what are the new functions of these historic buildings now. Moreover, the preservation organizations, local governments might select top ten best designed historic buildings, top 10 best reused historic buildings and top 10 worst altered historic buildings of their cities through a public opinion poll and published the results in their local newspapers, in TV programs, or on postcards.

Educating young people about the importance of the built environment is essential if a community is to achieve long-term management of design changes. There are many ways to incorporate preservation and design issues into school curricula. Possible activities include: studying the evolution of the downtown or neighborhood business district and relating the way building styles have changed to events in local history; documenting the history and significance of important buildings; creating a photo graphic record of significant architectural details in downtown buildings; and developing a list of possible uses for an old, vacant building. In Indianapolis, educators have created a special program that begins with kindergarten children. Youngsters were led on an architectural
safari of the downtown, where they looked for carved images of animals on building friezes and column capitals. 45

Children have a natural curiosity about the world around them and a very strong ability to learn something. The Indianapolis’ example reminds me that in China we should encourage our primary school students and middle school students to discover the art and the beauty embedded in local historic buildings and local historic districts. We should inspire them to learn the history and culture from the historic districts of the cities they live in. We should give them examples or show them around the historic districts to help them understand what are the appropriate alterations or treatments for historic buildings and what are not. Educating the young people to love the historic buildings from a very early age is very important because it will make very deep impressions on them and might influence them all their lives. What is more, parents usually pay attention to what their children care about, and so parents are also educated when we educate the young people what are appropriate ways to treat local historic buildings.

3.2.4 Economic Restructuring

Due to the rapid transformation of traditional business districts and excessive construction of new commercial districts in many Chinese cities and towns within the past two decades, two serious problems

45 Ibid.
occurred: The first is the homogenization of the business structures which means the commercial structures of the business streets in the whole country are quite similar and lack their own characteristics. The second is the unsatisfactory business structure in local business districts. Take the Beijing Road Business Street in Guangzhou City for example:

Guozhen who is the Deputy Director of the Economic and Trade Bureau of the Yuexiu District in Guangzhou City said the following words in May 2006 that the current business structure of the Beijing Road shopping district is unreasonable, for instance: 49 percent of the total shops located in this pedestrian business street are clothing and leather shops. The homogenization of the business in this shopping district is very serious. He said that the Economic and Trade Bureau hoped to lower the rent of the business district by increasing the number of shops in Beijing Road in a market oriented way in order to attract more types of business, and enhance the attractiveness of the pedestrian street of Beijing Road...

Many business districts (streets) in China are facing the economic restructuring as the Beijing Road in Guangzhou City in order to strengthening and diversifying the economic vitality of the business

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district. However, as there are no quick fixes for distressed downtowns in the US, the economic restructuring process of these business districts in China also must be gradual, well planned, and comprehensive. It must also involve both the public and private sectors of the community, each of which has unique skills and resources that must be mobilized for the process to be successful.

Without an overall strategy for the business district’s growth, efforts will reap only temporary rewards. In order to make sense of what we should do to establish a comprehensive strategy to create positive economic change by attracting investment to the district, first we had better to know something about the cutting-edge ER theory of the Main Street Model, because the strategy focus on the grass-roots based economic restructuring.

Economic Restructuring strengthens a community’s existing economic assets while expanding and diversifying its economic base. The Main Street program helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today’s consumers’ needs. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district. 47

The ER strategy might be the most difficult one among the Main Street “The Four Points Tenet” for people to handle, because “ER strategies tend

to be more complex and require more sophisticated outside expertise, and involve more external forces that are beyond the control of the Main Street organization (i.e. state, national and global economic trends).”

Below, I take advantage of the theories of the article “Economic Restructuring Activities in Downtown Revitalization” which systematically summarized some of the Main Street’s ER activities and their use and effectiveness based on literature from the National Main Street Center as well as the research conducted by Kent Robertson at St. Cloud State University to analyze what kind of inspirations what we can draw from these Main Street Economic Restructuring activities and put them into the China’s context.

The ER component of the Main Street approach includes a number of related activities. Examples follow:

- Establish a Building/Space and Business Inventory

  Building/Space and Business Inventory – An inventory provides a foundation for describing, understanding, and restructuring the economy of a business district. This data base can help in the renting and selling of property. It can assist the realtors, developers and new businesses in efficient site selection. According to Robertson’s research report that the development of a building/space inventory was the most effective ER activity.

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49 Ibid.
It is not clear whether the administrations of business districts in China have created such inventories or not. But people can find the information of each registered corporation such as the legal representative of the registered corporation, registered capital, address and phone number etc. from the local Administration for Industry and Commerce, and the information about buildings from the Municipal Bureau of Housing Management. Whereas, I think it is very necessary for each local commercial district administration to know the information in their own area of jurisdiction, and if the Administrations of Commercial districts did not have such an inventory, they had better establish one and update the data in time, because the database will help local professionals and volunteers truly manage their business district. With the database, they can better serve as an advocate for renting and selling the property of this district. They can better assist the community, realtors, developers and new businesses in efficient site selection. Ultimately, the business district database will be crucial for evaluating the current supply of products and services. The eventual combination of this information with consumer demand will help determine business expansion and recruitment opportunities.

These data is also much helpful for Chinese developers, new realtors and new businessmen to make correct decisions on their investment. In addition, the data also can provide the preservationists with the
information about the number of historic buildings in these districts and the current owners of them. For example, When a retail business closes, whose house is a historic building, the administration of the district can quickly get new investment by offering timely and accurate information about the building/ space, year of built and basic information on previous owners to the new businessman, and in the meanwhile the administration can analyze and make a good judge whether this new business is fit for the historic building through the information and experience they gathered. So the inventory is beneficial for both of the businessmen and the district administrators to make right decisions and can prevent the historic building from potential damage. By building and analyzing such an inventory, the administration could better know which kinds of businesses are fit for the districts, and what are characteristics of the commercial district.

- Conduct a Market Analysis

Market Analysis – A market analysis helps local business leaders, entrepreneurs, developers and economic development professionals understand the changing marketplace and identify business and real estate development opportunities. It includes studying local market conditions, identifying areas of opportunity, and designing strategies to help the district and its businesses build on these opportunities. The market analysis provides information to support all of the other activities of ER. 50

50 Ibid.
Since China initiated the reform and opening-up policy in 1978, the China’s economy has been gradually and steadily changed from planned economy to market economy. Today, as mentioned previously China has already set up the market—oriented economy system with Chinese characteristics. Today, the ability of grasping the laws of the market becomes the key to business success. So, more and more businessmen in China are concerned about the market analysis before making a decision. However, China has a large number of retail businesses run by countless grassroots, and some of them still do not well understand the importance of market analysis, and some others do not how to conduct a correct market analysis. Moreover, currently in China lots of business district administrators also lack the knowledge and experience in market analysis. So the experience of Main Street ER activities in market analysis might be much valuable for these Chinese grassroots businessmen. Here, introduce the basic market analysis process and some basic analytical techniques that have been used in economic revitalization efforts in some of the US Main Street programs. The process requires input from local residents so that the recommendations reflect both market conditions as well as the preferences of the community.
Step 1: Know How to Do a Market Analysis

David A. Aaker outlined the following dimensions of a market analysis:51
Market size (current and future)
Market growth rate
Market profitability
Industry cost structure
Distribution channels
Market trends
Key success factors

We cannot expect that most of Chinese grassroots businessmen and business district administrators can be the experts in market analysis, but it is very necessary for them to grasp the basic knowledge to conduct a simple market analysis if they want to gain future success in such competitive environment. I think the local business districts should provide some training in market analysis for the local businessmen and administrators.

Step 2: Understand Market Conditions

The businessmen and the business district administrator in China should spend some time to study the current market conditions from worldwide to locally especially in-depth analysis of current building uses, business mix, trade area size, economic and consumer data, consumer attitudes and business operator needs in order to develop a broad and basic overview of the competitive environment.

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51 NetMBA-Business Knowledge Center. “Market Analysis.”
Step 3: Identify Market Opportunities

Market opportunities are always elusory, and usually cannot be easily detected by typical market studies. So it needs some advanced tools to analyze specific business and real estate development opportunities. The different market analysis techniques are used in different markets such as retail, service businesses, restaurants, entertainment and theater opportunities, residential units, office space, and lodging facilities. The commercial street administrators should provide the retailers with advanced tools that can be used as part of a market analysis or on an as-needed basis.

Step 4: Develop Market-Driven Strategies

Take advantage of the wealth of market data and technology available today to extend the grassroots’ understanding of market opportunities. Both readily available public and private data (Secondary data) and information collected locally through survey and other research (Primary Data) are combined to drive the market analysis with only the most relevant information. The use of various database software products including geographic information systems (GIS) greatly enhance the analysis and provide new insight.

• Organize and Conduct Business Visitation

Most economic revitalization efforts should start by working with existing businesses. During the early phases of the revitalization
effort, strengthening a district’s existing businesses and determining their best opportunities are more productive activities than launching a business recruitment effort.\textsuperscript{52}

In the late fall of 2007, the King George Board of Supervisors (BOS) and the King George County Economic Development Authority (EDA) initiated a Business Visitation Program to garner concise, accurate, and up-to-date information about the views and needs of existing County businesses in order to achieve the following:

- Retain jobs
- Improve the business climate, if needed
- Expand and increase businesses and jobs
- Identify problems local businesses face and create solutions where possible
- Connect businesses with the resources they need to grow and thrive
- Increase communication between businesses, our local community and the Commonwealth \textsuperscript{53}

Just because the fast development of the business streets these years in China, and so it is very necessary for local business administration staff to develop their own business visitation programs as an approach to the retention and expansion of business in their local communities or district. In order to construct a much healthier business environment, a careful visitation needs be designed in local commercial districts in today’s China.

The first, make sense of the objectives of the business visitation in a certain business district.


The second, select the visitation team. Usually the visitation team should be composed of local administration staff and professionals. If volunteers will be involved, they must receive adequate orientation on economic matters.

The third, planning visits. Consider the number of firms in the district, the number of visits can be made by a certain team in a certain period, the number of problems the team can follow up on each time, which firms should be given priority for the visitation, etc.

The fourth, conduct effective visits. Before the visit, send a letter or an email of introduction and make an appointment. Explain the purpose of the visitation program and share a copy of the survey form with the businessperson being interviewed at the beginning of each visit. Find out as much as possible about the current operation condition of the businesses on the initial visit so the team can analyze whether these businesses face future growth or decline. Telling the businesses the possible ways they can find assistance.

The fifth, follow through. After the initial visit, the visitation team should keep in touch with the businesses, and collect their latest situation in time.

The sixth, report results of the visitation. The visitation results should be published as a final report that summarizes the current situation of the businesses of the local district. The information can be very useful for planning future development strategies or specific programs. The final
report should include the following contents: a summary of the visitation process, a summary of the current situation of the local businesses (including a list of name of the businesses visited and visitors), a summary of the main existing problems, a description of the trends of the local business, suggestion to the local government, etc.

• Organize Educational Programs

Educational programs can help existing businesses sharpen their skills and become more profitable. Instruction can be offered on business planning, financial management, inventory management, advertising/marketing, employee training/hiring, customer service, window displays/interior store design, business market analysis and Internet/E-Commerce. Workshops on co-existing with the retail giants are especially popular in many communities.  

National Main Street center provides various training opportunities and timely technique supports for the registered Main Street programs throughout the country. The biggest educational activity offered by the National Trust Main Street Center is the annual Main Street Conference. Each year more than 1500 representatives from the registered programs attended the conference and listen to the lecturers and presentations made by Main Street leading experts.

Other than the annual conference, the Main Street program also provides monthly Innovation Lab Webinar Series bringing Main Street expertise right to their trainees’ computers. These online seminars feature Main  

Street staff and other experts in the field to deliver the same type of high quality content that provided in the annual conference.

On-site Seminars and Workshops is also an effective educational tool of the Main Street programs.

Because educating and engaging community leaders results in more successful revitalization efforts, the Main Street Center offers a wide range of standard and customized training seminars. These seminars and workshops include our Main Street Basics Seminars, in addition to other commercial district revitalization topics. Each of our on-site seminars and workshops is designed to help local revitalization activists learn about relevant tools and techniques to address all aspects of commercial district revitalization. If your particular topic isn’t addressed here, we can also develop a customized training session to meet your needs. 55

Besides the seminar, workshop, and webinar, other training provided by National Main Street center includes: Preservation Leadership Training, Historic Real Estate Program, Organizational Development Seminars, all the detailed information about these training activities can be found in National Main Street Website.

All these educational tools can be used for economic restructuring of China’s traditional business districts.

• Business Recruitment

New businesses strengthen the downtown economic base by filing gaps in the existing business mix. A business recruitment team is

55 Ibid.
typically formed to coordinate business recruitment. They make sure that the district presents itself as an inviting place to do business, develop active recruitment and marketing materials, find appropriate businesses that might be interested in a downtown site, and use a personalized sales effort that conveys a message that the district is a good location for expansion or new business development. 56

Downtown business recruitment is an economic function with a distinct array of component parts, including identifying, wooing and winning tenant prospects. In the US, local landlords control the downtown’s commercial spaces. Without their cooperation and participation, a downtown organization’s recruitment efforts will have very limited success. However, things are different in China. All the land in China is owned by government. People only have the rights to use the land and houses if they buy the land or houses or obtain the land or houses through other legal ways. The government can put the land or house to a new use in accordance with the law. The business streets are under control of relevant local government organs like the Commercial Street Administration Committees, and business recruitments are usually organized and conducted by the local government apparatus. The introduction of the Main Street business recruitment strategy might provide the local business street managers and business people with a new vision of how to find appropriate businesses to strengthen the local economic base and how to make sure that the district presents itself as

56 Ibid.
an inviting place to do business, and how to develop active recruitment and marketing materials, and so on.

• Identify New Economic Uses for Buildings

To remain viable, most traditional business districts need to think creatively about the adaptive reuse of existing space. New uses might include housing, small-scale industry, offices, entertainment and religious or civic activities. Finding new ways to utilize unoccupied or underused space benefits the district. It provides property owner with additional rental income, which in turn encourages them to maintain or rehabilitate their buildings.57

Take advantage of the abandoned houses or adaptive reuse a store house which already bankrupted is an alternative way of economic restructuring. The following example is archived in the Main Street Success Stories and Case Study of the Wisconsin Main Street Program.

The Chippewa shoe Factory was the last remaining shoe factory structure in Chippewa Falls. The building, constructed in 1910, was vacant for over 17 years. Calls came from every sector of the community for its demolition. Several attempts had been made by various developers to save the building, but financing continued to be a problem. A developer from La Crosse created seven two-bedroom and 23 one-bedroom apartments and two efficiency units. The city and the Main Street program worked very closely with the developer to finance the project. The total cost of rehabbing the building was $1.9 million.58 [Figure 3.4]

57 Ibid.
Adaptive reuse the historic buildings to develop new businesses in China’s traditional business districts is the most important issue we should focus on in China. Rich examples of adaptive reuse historic buildings to make a new business succeed and in the meantime maintain the unique characteristics of the district can be found in numerous Main Street local programs, which deserves China’s local government officials and scholars to do careful study in order to make out new economic restructuring strategy for China historic business districts so that historic preservation and economic development can be harmonious.

- Provide Financial Incentives and/or Technical Assistance

  Revitalization programs can offer low-interest loans, incentive grants, and free technical assistance to building and business owners. They can conduct pro forma analyses of proposed rehabilitation projects to test their economic feasibility. 59

In China, small retailers usually cannot get the sufficient loans they need from the publicly owned or privately owned banks, partially because they have no enough credit in these organizations. Very few privately owned companies are authorized to lend money to other people or companies in China. How to help the grassroots to overcome financial problems and expand their business, and how to take economic measures to attract appropriate businesses to move to the local business streets is a problem

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that many local business street managers must face with and give careful consideration. The Main Street Financial Incentives are completely new to China’s system which deserves to be studied.

All these strategies, tools, activities work together making the Main Street Economic Restructuring practice become a big success, and I believe they will also produce positive effects in dealing with the relationship between historic preservation and economic development when the Main Street model are introduced to China and can be understood by more and more Chinese people.
Illustration 3.1
Freestanding, Nonprofit Program
National Trust Main Street Center. Local Program Organizational Structure.
Illustration 3.2

Main Street in an Existing Organization
National Trust Main Street Center: Local Program Organizational Structure
Illustration 3.3
The Simple Relationship between Local Government Apparatus
in a Chinese City

Shi (Municipal government)

QU

Jiedao

Juweihui (a grassroots level non-profit mass organization), guided by a basic level branch of Chinese Communist Party in the community, and administered by Jiedao
Illustration 3.4
The Proposed Structure of the Freestanding Main Street Programs in China

- Shi (Municipal government)
  - QU
    - Jiedao
      - Juweihui
  - Local Main Street Office (municipal or Provincial level)
    - Jiedao Main Street Office Or Jiedao-level Main Street Program
      - Juweihui-level Main Street Program

- China Main Street Center (in Beijing, Shanghai or Hong Kong)
Illustration 3.5
The Current Relationship between Local Business Street and Local Commercial Street Management Committee in China
Illustration 3.6
The Current Relationship between Local Government Organ and Local Commercial Street Management Committee in China

Shi (Municipal government) → QU → Jiedao → Juweihui → commercial street management committee (a government body) → Business Street
Illustration 3.7
The Organizational Structure of the Proposed Local Semi-Official Social Organization
Illustration 3.8
The Organizational Structure of the Proposed Profit-Making Consulting Firms
Focus on Preservation Based Economic Development
Figure 3.1
Longfusi Business Street (in Beijing) before Transformation
Source:
(accessed April 20, 2009)
Figure 3.2
Longfusi Business Street (in Beijing) after Transformation
(accessed April 20, 2009)

The transformation did not bring the prosperity back to the old business street, instead after the transformation the Longfusi Business Street lost its characteristics and in its business downturn.
After Transformation of the Longfusi business street, the new digital plaza located in the street has closed for many years for its business downturn.
Figure 3.4
The Chippewa Falls Shoe Factory Building
Won the Award for Best Adaptive Reuse Project

Source: Wisconsin Main Street Program. “Chippewa Shoe Factory.”
(accessed March 20, 2009)
Chapter 4

The Significance of Applying the Main Street Model to China’s Preservation Based Economic Development

4.1 Educational Value of the Main Street Approach

Today, China is still in the process of urbanization and industrialization which the US and some European developed countries already experienced before, and China is the largest developing country in the world, hence, the government has to focus on the economic development in order to improve Chinese people’s living conditions. In contemporary China, the value of historic preservation to the economic development has not been fully recognized by most of the local government officials, developers and the citizens. The systematic research on the relationship between historic preservation and economic development is still in its infancy. Historic buildings are still being demolished quickly in cities and towns, for they are regarded as the obstacles to local economic development.

The introduction of preservation-based economic development strategies of the Main Street programs will elicit a breakthrough idea in contemporary China, because government officials and common people will see not only the mature and systematic preservation based commercial revitalization theories but also many fresh and vivid cases of
how the US grassroots take advantage of precious historic buildings to start their small businesses and revitalize their communities. These theories and success stories have proved that people can find a balance between historic preservation and economic development, and furthermore sometimes historic preservation can be a stimulus to local economic development.

Historic preservation projects need firm financial foundations to succeed, and a significant amount of funding is available from a wide variety of sources. Today the funding for historic preservation in China mainly comes from the government. With more and more Chinese people becoming aware of the significance of preservation based economic development, individual and corporate donations will definitely increase.

What is more, main street model provides many built-in educational and training tools. As discussed in the previous chapter that National Main Street Center and local main street programs provide various educational and training opportunities and tools, from Main Street Annual Conference, Main Street Innovation Lab Webinar Series, to Onsite Seminars and Workshops and so on and so forth. Chinese local governments may send some experts in historic preservation, history, economics and managements, etc. to receive these trainings in National Main Street Center in D.C. and other state or local
main street programs in the US. The US Main Street experts may also be invited to give their lectures or work in some cities of China.

Additionally, there are a lot of publications in Main Street Studies which can be translated into Chinese and published in China in order to make more government officials and small business owners, and common people have an opportunity to know this preservation based economic development model so that they may rethink the relationship between economic development and historic preservation.

Moreover, it will be a source of inspiration for Chinese professionals to do research in this field. In 2009, the Main Street program will celebrate her 32th birthday.

During the past thirty two years, the Main Street program accumulated rich experience of managing preservation based commercial revitalization movement all over the US. All these information can be obtained from the books and magazines published by the National Trust for Historic Preservation or other online publications from the websites of the National Main Street Center and many other local Main Street programs. This valuable experience can be used as a frame of reference for the scholars in China and other countries to do research in this field in their own contexts.
4.2 The Main Street Model Can Provide Professional Guidance on the Practice of Preservation Based Economic Development in Today’s China

The Main Street Approach focuses on cultivating the local grassroots based small business, and the success of the whole Main Street Approach is ascribed to a great extent to the success of a large number of local Main Street programs. The Main Street model is actually a small business incubator which provides technical and financial support and professional trainings for the local small business people.

As mentioned above, China has such a multitude of grassroots, because China has the largest population in the world. In recent years, building a harmonious socialist society becomes one of most important tasks in China. How to narrow the gap between the rich and poor, and how to increase employment become the two of “top ten hot issues in today’s China.” Although the social systems are quite different between these two countries, Chinese grassroots still can learn a lot from their US counterparts’ preservation based commercial revitalization practice, such as how to organize a local non-profit preservation based commercial development committee, the appropriate ways to restore historic buildings, how to reuse historic buildings to start new businesses, how to organize local promotional activities, how to advertise their own businesses, and how to manage and market their business streets etc.

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Today, the Main Street programs not only are playing an important role in the downtown commercial revitalization in US big cities, but also at work in numerous US small towns. There are many case studies on US small town Main Street programs, for example: the Case study of the Main Street programs in Iowa small towns, “Main Street at work in Small Towns-Iowa Success Stories: The Iowa landscape is dotted with hundreds of small communities, many of which still dream of having healthy, vibrant town centers. Main street programs are at work in 20 of these communities. Ranging in size from 342 to 4,164, these towns have anywhere from 2 to 10 years of Main Street revitalization experience…”

Nowadays, Most of Chinese population still lives in the towns and villages, and some of these people are most in need of technical and financial support to run their small businesses. The practical experience from US grassroots owned small businesses will provide these Chinese people with some new thoughts of how to manage their own businesses and how to find their niches in their small hometown. Especially, China has a lot of historic towns and villages, and two hundred and fifty one out of them had been named “The Historic and Cultural Town in China” by the Ministry of housing and Urban-Rural Development of the People’s Republic of China, and State Administration of Cultural Heritage by

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Compared with the big cities of China, the historic buildings and local unique features of these historic towns and villages are better preserved. Therefore, these historic towns and villages have very good conditions and opportunities to take advantage of their historic resources to develop their tourist industry and other businesses so that improve their local economies. However, the negative impact of developing tourist industry and other industries cannot be ignored, and the ways of economic development of historic towns and villages should not repeat the model of transforming old city areas of Chinese big cities whose development is achieved at the cost of unique features and historic buildings. The practical experience in preservation based economic development from many US small towns’ Main Street programs is of great value for China’s local government officials and business people when they deal with the relationship between the development of local economies and historic preservation.

Today, preservation and development is a complicated and challenging topic faced by different countries, for a number of contradictions, conflicts of interests and profits are involved in the preservation and development of local historic districts which makes it difficult to give easy answers to the questions, such as what is the appropriate preservation?

62 Source: http://www.cin.gov.cn/ldjh/jsbfld/200901/t20090120_185127.htm
What is the proper way to deal with the relationship between economic development and historic preservation? What kinds of roles the local government, non-government non-profit organizations, local residents, developers, preservation experts as well as their respective conservation groups should play? How to raise funds? Etc. The US Main Street Model gives its sound answers to these questions by providing its systematic theories and many success stories of various local programs.

It always takes time for people to understand and accept a new thing. It has taken about thirty years for the National Trust Main Street center to expand their local Main Street programs to such a great scale. Today, the Main Street model is completely new to Chinese people, and China social system is quite different from that of the United States'. This thesis is only a preliminary research on the US Main Street Approach aimed at introducing this model to China, and I think the Main Street preservation based economic development approach deserves in-depth investigations and researches. With more and more Chinese government officials, business people, and common people being fully aware of the theories and success stories of this model, with the improvement and perfection of the relevant legal system in China, I believe the tenets and successful experience of the Main Street Approach will be applied to the practice of preservation based economic development in China in the near future.
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