



**Electronic
Commerce
Resource
Center**

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May 12, 1999

CTC/ATC-L0970-99

Dave Henry
Bainbridge Island Chamber of Commerce
PO Box 10892
Bainbridge Island, WA 98110

Dear Dave:

The Bremerton Electronic Commerce Resource Center serves small businesses in an eight-state region with training and technical support in the adoption of electronic commerce technologies. The Internet affects smaller communities in profound ways because of the way it collapses time and distance. Outsiders who can only physically visit a community once or twice a year can drop in electronically several times a month, even in the middle of the night. Residents can monitor what is going on, and even participate, even though they are working outside the community. Residents can reach out to other communities for information, supplies, and resources, without adding vehicles to the roads or taking time away from the community.

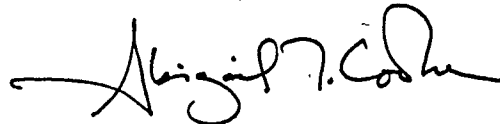
The Bainbridge electronic community appears to be all about serving the community's interests by creating a specific grass-roots presence. In the physical world, sign codes, speed limits, covenants and restrictions are all used to align individual actions into a coherent downtown presence. What makes sense for the community takes precedence over what makes sense for the individual developer. Bainbridge, and other communities in our region, should take an active position regarding how their community is presented on the Internet, for the same reasons - to have a coherent presence, to serve the needs of the community, to preserve its unique flavor.

Bainbridge can affect its own future by creating and managing an electronic community that fosters communications, that puts advanced planning and coordination tools in the hands of its citizens and volunteers, and that supports low-impact business growth. Big developers who want to "score" in the race to capture market share will be attracted to Bainbridge's demographics and location - and a passive position by community leaders will result in an electronic strip mall. An active position, in contrast, will result in an electronic Bainbridge that is supported by the hardware and software the developers bring, while conforming to community standards and interests.

Dave Henry
CTC/ATC-L00970-99
May 12, 1999
Page 2 of 2

The US government may support this kind of community development on the Internet,
and we are interested in participating in this type of project.

Very truly yours,

A handwritten signature in black ink, appearing to read "Abigail T. Cooke". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Abigail T. Cooke
Program Manager

/jlp

cc:

Received in response to 8/8/00 call to the Electronic Commerce Resource Center of Kitsap County (a federally funded organization):

August 11, 2000

Dave,

Thank you for your inquiry to the ECRC.

In the past we have been very active in the support of our local community. . . You mentioned needing various technical skills to support your work: we do have the [personnel] in-house who could consult in the areas of 'feedback forms', 'bulletin boards' and 'search engines' and various internet related technologies.

Dale N. King
eCommerce Consultant
Electronic Commerce Resource Center
800-478-3933, ext 5414
kingd@ctc.com
www.becrc.org

Subject: thanks

Date: Thu, 15 Aug 2002 07:15:35 -0700

From: "L. Katherine Baril" <kbaril@wsu.edu>

To: Dave <binet@bicomnet.com>

Yes, I had visited that site before. .glad to see something on it. . .

Thanks for the visit and it was good to see you at the digital divide workshop. . .

My primary interests at this time are:

- trying to find some group share ware or some way to use technology to help the variety of work groups I am working with from everything from local community indicators to salmon restoration and leadership development.. . In my position I want to find better ways to use the computer to help work groups at a distance move things forward

- using WSU Jefferson County as a very robust pilot project for our technology can help a community do systems thinking between economy, ecology and social capital--- and to reinvigorate a new form of civic interaction and dialog. e.g. community counts projects similiar to what Tom Campbell did in Sno Net in Snohomish County or Blackburg or some virtual community-- I really like your Bainbridge Island site and would love to have WSU have something similar and then push the boundaries even further. . we have the interacdtion and local content in this office to make that rich

- and then through the above two experiments model how community could benefit from using technology as more than a bulletin board. .

So. anxious to see your ideas flushed out more. .

--

L. Katherine Baril, J.D.

WSU- Jefferson County Cooperative Extension

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Attention: Mike Doherty
Clallam County Commissioner

Greetings Mike,

I am Dave Henry. A while back I gave a presentation to Jeffcotech about telecom and community and you were kind enough to come up afterward and talk about the subject with me. You had asked me to keep you apprised of my progress. Enclosed is a letter to Rod Fleck concerning another project we both have in common. The important thing here is the progress I have made in your area as a result of the response I received from that meeting.

If you would like I would ^{be} happy to discuss this further with you.

Sincerely,

Dave Henry

Greetings Rod,

I thought I would give you a little note on my activities just to keep you in the loop.

I appreciated your encouragement to stay involved. What is transpiring is an old story with me.

About six months ago I gave one of my power point presentations to the Jeffcotech group in Jefferson County.

It was the one that dealt with future of technology, how it will be used to market our communities and what that meant to our downtown business cores and tax base. It also included parts of another presentation that talked about what we needed to do to become players in the game rather than victims, benefits to communities, tourism, etc.. I am especially concerned about rural counties that have existing depressed economies. They will be the most vulnerable. Bainbridge Island was the test bed for what I believed to be the best local alternative to help mitigate the impacts telecommunication would have on us and capitalize on it's strengths. As I predicted Bainbridge was hit early on by the marketing techniques developed to mine our local economies and I was able to test my theories and solutions. I was generally successful. It is, in part, this knowledge and techniques that I now seek to pass on to other communities.

About six years ago I realized that the thing that was the greatest obstacle was the education of leadership in what the internet was and how it worked before I could talk about the implementation of plans, infrastructure/foundation and then structure. The first part is getting easier the second part is more time sensitive and critical, we've run out of time. My presentations help expedite this because they are the real life history of Bainbridge Island that tell the story of the future that is being planned for us.

I realized some time back that the reason I had so much trouble getting through the politics and leadership in Bainbridge and Kitsap county was that we have two good

sources of income in the county, Bainbridge Island and the Navy. As a result the leadership structures here are constructed around the need to control the resources that these entities provide rather than look for new ideas and innovations and if something comes along that represents money or power it should be discouraged or assimilated under the established control structures. Wading through this experience has cost many years with the fruit of that labor being fragmentation of leadership as I educate them on what is possible and how to do it.

My concern for rural small town economies has led me to working with leaders of counties that have already experienced economic downturns. These are the same as the ones identified by the "Cluster" project but I have always viewed this as a global problem (the term, digital divide can apply to many things). I also have found that leadership in these areas are more open to finding new solutions to building economy because they have already been faced with the crisis of loosing the economies of timber, fishing and farming. This is what I and the "Cluster" project have in common. However our different projects and methods are compatible and I think you will find them complimentary. As I said at the face to face meeting, what I do can be the educational and delivery mechanism for what the Cluster project want to achieve with the addition of many other aspects that go beyond what is proposed in the Cluster project.

Back to Jefferson County: After the presentation about 6 months ago I connected with many people who heard me talk. From that has developed the foundation for bringing the first model of the "Unified County Structure" into reality. We have started the process with key local businesses, well respected in their community and capable of leading. I have also found the solution to my greatest problem and that is the structure to be the "trustee" for what I call the "Virtual Essence of Community". I originally thought a nonprofit organization was the solution but I watched what has happened to organizations like the Red Cross, United Way and even some aspects of local organizations such as EDC's, Chambers, etc. It still comes back to the intentions of the boards of directors and the individuals in leadership positions. As a result of these observations I abandoned the nonprofit structure and to this end WSU in Jefferson County is going to fill that role with this phase of the project. With that comes the ideal structure to educate leadership, businesses and community groups on why we need to implement the concepts and projects that will benefit and enable local people to create a robust local economy and improve government and social structures. What I am proposing will also benefit many of the programs WSU now deploys. What I have accomplished in history and the benefits I bring to communities will be the foundation for many grant possibilities and WSU has committed their resources to this end. I am currently working through Katherine Baril, Extension Faculty Chair. There is more to this but I will not take the time here and we are still working out details. After we polished up a few things we will be coming to Clallam with an invitation to join the project since your economies and community interests are so closely aligned. Mike Doherty saw the presentation I gave six months ago and asked me to keep him informed of the progress of my regional economic development projects. I will forward this note to him as well. People and organizations who have participated in input into this project and have an interest in participating cover Jefferson, Clallam, Grays Harbor, Whatcom, Kitsap and the Olympia area. All can see the benefit. I have had seven years to be educating and giving presentations and that covers a lot of territory even Spokane. The business people who contributed

approximately \$10,000 to do the research and develop the presentations were from central Kitsap and could see how regional connectivity could help their business. This project has truly been developed *by the people for the people*. It is significant that what I offer can engender that kind of support for businesses, community groups and individuals to invest in a future not only for them but to help other businesses and communities in the area. This is the caliber of people that will change the future and are drawn to this project. It is also important to know what entities and large corporations gear up to defeat this process (see the presentation; I was asked a while back to come to Washington DC to testify at a hearing on the Open Access Issue based on events that took place on Bainbridge Island).

Locally you will find projects like those of Kent Johnson, Clallam PUD and Ned Schumann, PT befitting by what we propose to implement (this is building economy). One important area I address is one of the things rarely spoken of and that is the *leakage* from your retail sectors that this global connectivity will bring. Coming up with solutions to mitigate this also builds economy by virtue of helping to preserve what you have and have yet to gain and keep it in the community.

To see and understand this you have to look at the world as a whole and apply whole systems design concepts along with an understanding of what I call the *Formula of Community* and the realization that there are many layers of community and that they rotate around geography and special interests and it is the intersections of those layers that becomes important yet unseen.

It is this knowledge that I want to share with the world for it will change it. I can already see the impacts I have had that have extended to the national level (ask Dale about what I did for the Tauzan-Dingle bill and ask Soft Net why the ISP Channel changed their national business plan after their experience on Bainbridge Is. this had an effect on approximately 70 other communities). They are subtle but they do change the direction of things.

It is this knowledge that Dale, Charles and Dona Keating share with me.

I have a letter form ECRC/CTC from a presentation

I gave to some of their upper management about four years ago. They gave me a letter that outlined their opinion of what I proposed to them. A part of that letter said something like this; If the leadership of Bainbridge Island do not take action to head off the intentions of the global marketers who will want to mine your economy you will in effect create *an electronic strip mall* in your community. They even added that there may be federal funding available to help in developing the project. I could not find any leadership on Bainbridge to respond to this invitation. Dale is aware of this event.

It is the knowledge of the future and what we can do for ourselves that I wished to share with the group meeting at Alderbrook but I have been asked not to attend (short on space). I wasn't quite ready to disclose the progress on the Jefferson County front anyway but it is timely, and at my budget, \$100 is a bit steep (I haven't been on anyone's salary for all these years of meetings). But I do know that what is in progress is important to the future of all this group represents and it is ten years old and counting. Jefferson, Clallam and West Puget Sound could be great in the history of the world. We are about to implement a new form of economy in the face of a global one. But it isn't

just about economy, it is about the preservation of community values, structures, government processes and improvements on what exists and the foundation to create what has yet to be dreamed of.

Let me know if you see a place for me and the others who participate in the creation of this project in the project you and I are engaged in. We will discuss the future of Clallam County as it pertains to what we have underway as another subject another day. You have an invitation to see the presentation that Mike Doherty saw and others if you want. Through that history your leadership will see the future and hopefully take action in a positive way while you can still be proactive.

My perspective has always been this: We have all the knowledge and resources at our disposal to do what needs to be done locally. What is missing is the plan for the use of the telecommunications infrastructure that is being built to benefit our communities. The education of leadership on how to use this technology and the political will to enable our people to be all that we might be.

This is why I am here.

Sincerely,

Dave Henry

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www.bainbridgeisland.org
206-842-0236

An Olympic Peninsula Regional Economic Development Plan

Concept Paper

Background

The economic base of the Olympic Peninsula has traditionally relied upon natural resource extraction (forests, fishing, etc.) and conversion, governmental employment (federal and state agencies, local government and educational institutions), and the tourist segment. The 1990s have seen a constant element of “change” in all of these areas:

- Natural Resource elements (maritime, forestry) are under increasing pressures associated with ESA listings and efforts to make regulatory changes affecting these industries;
- While the government sector has grown to some degree, recent initiatives coupled with local, state, and federal fiscal policy issues are combining in such a manner to lead many to believe that the “downsizing” that occurred in the private sector will now begin in the public sector as well;
- The 9-11 attacks have significantly impacted the tourism sectors of the economy which coupled with the current economic downturn indicate that the tourism sector may have slow growth at best in 2003.

Recently, OFM released numbers that showed that nearly all five counties of the Peninsula have estimated poverty levels that are above the state average.ⁱ In addition, the recent unemployment numbers have shown that our region still has unemployment rates above the state and national averages.ⁱⁱ In March 2002, it is expected that the Peninsula communities will learn from the Census Department that the median income for each Peninsula community will be below the State median income and that in some cases the poverty level noted in 1990 will have remained constant over the last decade.ⁱⁱⁱ

In this climate, it is believed by some that there will come the demand that community leaders “do something about our economic situation.” Those having this belief realize that they will soon hear their citizenry make demands that have the tone similar to the adage of the early 1990s, “it’s the economy stupid.” Fortunately, some of the communities have fostered an environment that exploits for mutual gain regional cooperation and collaboration on topics ranging from telecommunications (Sappho Gap) to transportation (Hood Canal Bridge, Peninsula Regional Transportation Planning Organization).

Already, in Clallam County there have been a series of efforts to look at economic clusters – Clallam netWorks is gearing up to pursue a look at the clusters in our county and work on developing strategies to expand up to two of those; OTED recently completed a cluster analysis of the Olympic Peninsula and is wanting to begin the process of cluster implementation within those identified clusters; and, then a few groups have encouraged the development of a technology/telecom cluster on the Peninsula focusing both on needed infrastructure and developing new business opportunities. In all of these efforts, a coordinated approach across county boundaries could have significant benefit to each individual effort. Clallam County cannot presume that it’s economic machine is a separate isolated island on the Olympic Peninsula. Events such as ESA listings, changes in Wall Street, corporate business strategies, 9-11, and a host of others, have all demonstrated that what affects Clallam County also impacts Jefferson, Grays Harbor, Mason and to some degree Kitsap County. Where commonly shared impacts are felt, commonly shared goals, objectives and efforts could produce positive benefits for the entire region.

In addition, the stronger the package that can be made for the region, the easier it is to garner the attention of state and federal funding agencies to support those efforts. In addition, coordination of local efforts with a larger regional approach could result in additional funding opportunities from private foundations and entities. The Sappho Gap application was the number one project on the Qwest settlement not because of the hard work done by its proponents, but because of the fact that it had Peninsula wide implications – suddenly a \$1.7m investment becomes realistic to funders because of the magnitude of the impact of that investment.

credibility of the planning group while producing results, thereby generating further interest in the planning group's efforts.

If the Olympic Peninsula was selected as one of the pilot regions, the various interested parties within that region would develop a strategic plan that focuses on the economic development issues facing that region. Already, the OTED cluster industry report identified specific clusters that include: tourism, health care, wood products, food production; metal work; maritime and software. Arguably some of these could be condensed into focused efforts: Tourism, Health Care; Wood Products; Manufacturing; Maritime; Science/Technology. Within these latter groupings, specific regional analysis of the cluster could be done using existing plans, data, etc., while also gaining first hand information from leaders in those specific industries. From that analysis, a vision for that cluster could be developed with specific, written, measurable goals that would in turn have specific objectives. The vision for the Wood Products cluster may be to have a stabilized industry that shows some signs of slow growth over a five-year period. A goal could be to increase mill production by 10% of the next five years. Objectives for that could include surveys of existing mills to find out what barriers stand in their way to meeting that goal. For Science/Technology, the vision could be to have the S/T portion of the economic base of the region represent 10% of the total. Since this industry is seen as the one that could produce new products and industries, its development needs may need both capital financing and educational opportunities. Goals could be the creation of the financing organization noted within the Clallam netWorks proposal, and also the creation of a four-year college in Port Angeles that could become the s/t hub outside of Seattle.

It is expected that the development of the plan itself would be completed by the end of federal FY 04, thereby allowing the group to begin various means of implementing the plan in FY 05. Again, while thinking in a "concept stage" manner, the plan itself could involve the following:

Time line:

Winter 02	Concept group begins developing interest in regional approach to economic issues arising on the Peninsula; group approaches Congressional leaders seeking support and funding for program in FY 03 budget;
Summer 02	Regional meeting simulcast involving leaders on the Peninsula to discuss economic issues and regional approaches to economic development;
FY 03	Oct – May – Interim group formed to develop planning process, work out scope with consultant, and overall "feel" of regional plan. Towards latter part of this period, interim group would transition into the formal planning body; and May – Sept – Permanent Planning Body begins work on Regional Economic Development Strategic Plan;
FY 04	Planning body develops and adopts Regional Economic Development Strategic Plan
FY 05 - beyond	Implementation

What is needed now.

Right now, the CCEDC needs to send a letter to OTED saying that they are interested in being part of such a pilot project and realize that the nature of the project may change as the funding effort is pursued. In addition, the Executive Director should be asked to be a part of the effort underway to develop this project thereby ensuring some basis to prepare for the application process that OTED would have to initiate if they obtain the funding. Probably, there will need to be involvement in the one day event if that is needed to begin this process. But, worrying about that level of detail in a concept that is truly evolving is extremely premature and a waste of energy.

What is needed right now, is a statement saying that we the CCEDC are willing to work with others on the Peninsula to not only benefit our own communities, but possibly create a catalyst for positive regional change .

February 8, 2001

Internet as a Tool for Economic Development

Objective under discussion: To create an Internet presence for local communities that can redirect Internet traffic generated for and about those communities in such a fashion that it will benefit and enhance the vitality and structure of those communities. The system currently in place is designed to send our local dollars out into the global market place away from local merchants. I have tested the Internet as a tool for community and economic development. The Internet itself is not a “magic bullet” and must function in conjunction with other efforts, but it is one of the most cost-effective and universally functional communication tools we have today and it is growing in influence at an alarming rate. Most small community leaders don’t know how to use it yet, let alone plan for its effects on our local economic and social structures.

The approach I have taken is to view most economic communities as “living organisms.” This is essential to understanding the methods I have used to deal with the challenges that lie before us. At the heart of my approach is improvement in communications and “whole systems design,” making use of multiple definitions of community and re-examining the way we as human beings relate to the world around us.

What you are about to see is the results of ten years of research and planning with six of those years involving actual testing, evaluation of results, and refinement of the process and systems in real life situations. This was done through an Internet site for the community of Bainbridge Island called Bainbridge Island Community Network. The experience is a mix of successes and failures. This was expected, for the value is in the experience and the lessons learned in preparation for what is needed now. Bainbridge Island was the prototyping and testing platform for the *formula* of the “Virtual Community” whose main elements were divided into two categories, economic and social.

This is a time when we need to look beyond conventional thinking and leadership, and start working in a unified manner and *smarter*. Our greatest strengths lie in our unity and a solid strategic plan. This is now a global economic game and we are in the midst of the greatest shift in wealth the world has ever seen. If you aren’t aware of the influences that exist and how to use them to your advantage or to avoid the pitfalls that others have planned for you, you *will* be a casualty. Taking *no action* is as good as taking the wrong action and sometimes worse.

It is this history, my methods and techniques, years of first-hand experience, the knowledge base I now carry that is important to all small communities the world over. The option I now bring to you is a foundation to build upon and a formula for an economic community that will give you control over your destiny now and into an ever-changing future. *Your best defense is a strong offense*. This is what the following presentation is about.

Sincerely,

David Henry
206-842-0236
binet@bicomnet.com

David Henry
Box 10892
Bainbridge Is. WA 98110
binet@bicomnet.com
206-842-0236

Subject: Establishing a local reference for privacy and ethical conduct protocols in relation to the Internet and related technologies.

Greetings all,

As most of you know my interest in this technology is using the Internet for social and economical development. The people I am in contact with in the course of my travels are in need of various levels of guidance and advice in this area. Initially this information should be accurate and impartial. That will enable them to chart a safe and secure path into the future. What information I can not supply I refer out (which in the technical areas is considerable). My problem is making sure that the people I refer to are competent in the area of reference and that we have predetermined standards among us concerning business ethics and privacy (I have experienced problems in this area more than once). Also, it will serve as a working model amongst ourselves that will help to ensure good business relationships.

From this effort I will extract a foundation for building privacy and ethics protocols for my community based projects with the idea of promoting such concepts in the community at large and educating businesses and the public in this area. I believe some of the people I have had contact with here in the WSTPA would be highly qualified to participate in this endeavor. I do not expect it to be time consuming or difficult, just a meeting of the minds. We can easily draw on existing examples for much of the starting content. I think it will also aid us in our future relationships to know better where our personal values lie in this area.

Thank you for your interest

Dave Henry

Cc: Charles & Dona Keating
Dale King
Chris Imori
Omar Liripio