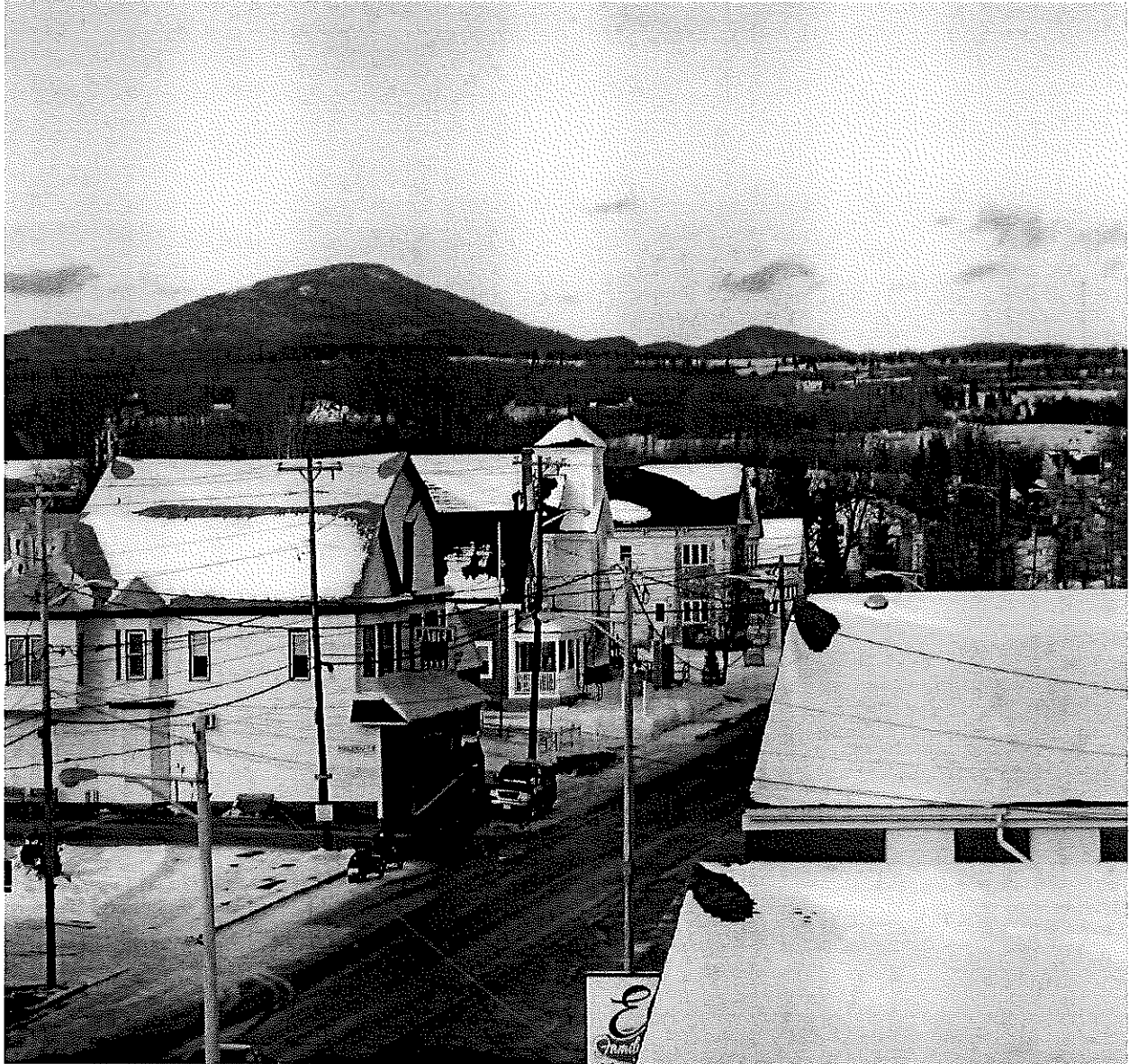


Local Economy



Local Economy

IMPORTANT NOTE: Current census data contained within this chapter is compiled from the American Community Survey (ACS) 2007-2011 5-year estimate. The ACS 5-year estimates data for rural communities is based on a very small sample and therefore subject to a range of sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error, whenever possible. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value.

Patten Business and Employment Historical and Today

Patten's economy is often thought of being based on the abundant natural resources in the region. There are commercial forestlands, prime agricultural soils, and resources of State importance such as Baxter State Park and a newly designated Katahdin Woods and Waters National Monument. Often thought of as a lumber town, Amos Patten was considered a lumber baron when he purchased T4R6. As evidenced by the number of trucking companies and logging contractors, many residents work or worked in the woods or at mills located in East Millinocket, Millinocket, Lincoln, Masardis, New Limerick, and Ashland. While the mills in East Millinocket and Millinocket have closed and there has been a general downsizing in the industry, town residents still work in this industry and today, logging trucks are a common sight on Main Street, Shin Pond Road and Houlton Street and local businesses support this industry. The Patten Lumberman's Museum connects these roots in real tangible ways.

Although lumbering played an important role in the town's economy, agriculture was equally important. Initially, most of the agricultural production was for personal use, the industry grew and supplied fresh produce, dairy products, and meat to logging camps and to families in town and the surrounding region. Patten had a robust potato industry through the 1970s and many farmers were growing beef and raising cows for the dairy industry. Today, while large scale potato farming has declined, there are numerous smaller farms that grow a variety of produce and sell to the general public. The importance of agriculture is evidence by the fact that the Ambulance Service is located on Potato Row Road.

Tourism, in the form of hunting, fishing, ATVing and snowmobiling, has been part of Patten's economy for decades. In the past, Patten was a destination for hunters and fishermen and sporting camps and registered Maine Guides were a draw. This is still the case today and Patten is a jumping off point to outstanding fishing for brook trout, lake trout, bass, and other species and offers a near wilderness experience for those hunting black bear, white-tailed deer, moose, and small game. There is a flying service located in nearby Shin Pond that flies sports to remote areas. Several sporting camps in and around Patten, offer the traditional Maine experience for those wishing to visit the region.

While hunting and fishing is still important, Patten is located at the gateway to the North entrance of Baxter State Park and now the Katahdin Woods and Waters National Monument. The impact of the new monument has yet to be determined but Baxter State Park draws many visitors to the region each year. These two regional resources along with the International Appalachian Trail and Katahdin Woods and Water Scenic Byway attract visitors who purchase supplies at stores and eat at restaurants located in the downtown.

Patten’s downtown is a regional economic hub and contains a variety of retail and service establishments. Several businesses, such as Patten Drug Store, Katahdin Trust, Ellis Family Market, and Richardson’s Hardware have been at the same location for many decades.

Patten has seen a resurgence of interest in their downtown area and new businesses have opened, previously vacant buildings have been purchased, and there is a general level of “excitement” in the downtown. As shown below, total consumer retail sales have grown by nearly 10 percent since 2007.

The reality is that the community is still part of a regional, state, and national economy. Patten is part of the Houlton Labor Market Area (LMA). A LMA consists of an economic center (in this case Houlton) and 29 other communities stretching from Weston to Mount Chase. Labor Market Areas are defined by the United States Department of Labor every 10 years and are based on commuting patterns. This designation fits with reality as townspeople go to Houlton (45 minutes away) rather than Bangor (90 minutes).

Conditions and Trends

Substantial public and private investment is continuing in Patten in the form of road construction, utility upgrades, new business and industries locating in the community such as Haymart, Katahdin Valley Health Care facility (KVHC), National Park Service headquarters, several new convenience stores and take out restaurants.

Patten has a solid record of economic sustainability because of a diversified economic structure while supporting the mainstay forestry and recreational industries located within the community.

Local policies and strategies focus on an understanding of the structural components of the regional and local economy, long-term trends and how the community can strengthen its existing economic structure and develop or attract new structural components.

The table below lists the current employers located in Patten as of April 2017. A vast majority of Patten’s employers fall into the 1-4 employees and nearly all of the employers fall into the less than 20 employee categories. The table shows a nice mixture and diversity of employers in town.

Patten’s Businesses- 2017	
Business	Business
Lonewolf Autobody	Debbie’s Deli and Pizza
R+L Storage	Dri-Ki Woodworking
Savage Autobody	Eastmill Federal Credit Unions
Ellis Family Market	Fairpoint New England
Richardson’s Hardware	McNally Land Surveyors
Katahdin Trust Company	Scott Willett Trucking
Magic Wand Carwash	Willigar Farm
NAPA Auto Parts (Gallagher’s)	Wedding Videography of Maine

Business	Business
Flatlander BBQ	Four Season Painting
Abbilli Trucking Inc.	D. Gardner Trucking
Sheldon Anderson Concrete and Construction	Gardner & Sons Trucking
Stacy Anderson Carpentry	David L. Gardner
Anderson's Construction	JS Gardner Trucking
Avon	Brian Glidden Inc.
Bartlett's Lodge	Green Valley Association
Blue's Wilderness Hunts	Guptill Farms
Bowlin-Matagamom Snowmobile Club	Michael A. Hanson Trucking
Hangar Pizza	Harris and Sons Trucking
Bradford House Bed and Breakfast	Hartsgrove Appraisal Services
John H. Brown Septic System Services	Hathaway Apartments
Frederick Brownlee Trucking	Haymart
Brownlee Builders	Kevin Higgins Apartments
Casual Elegance Catering	Innovative Strategies and Intervention Services
CM&S Ent, LLC	Integrated Solutions of Maine
Calculations	J&B General Auto Maintenance
R D Campbell	John's Electric and Solar Service
Care Professional Resources	K&C Quick Stop and Service Center
Carlene's Barbering and Family Hair Care	KJR & Son Trucking
Cheryl's Tax Service	Kenney Farm
Collaboration Studios	Katahdin Outdoors
Conklin's Lodge and Camps	Katahdin Photo Tours
Christie Crouse Embroidery	Katahdin Region Wilderness Guide Service
Shawn Craig	Katahdin Valley Health Center
Michael Craig Inc.	Katahdin Welding
Craig's Clam Shop	Sean Kelly
Ben Cullen Carpentry	Frank Landry and Sons
Cutting Edge Lawn Care	George Landry and Sons, Inc.
D&T Transportation	Paul Landry and Son
D.A.N Trucking Inc	Landry Wood Enterprises
Daisy Boutique	Main Street Outback Garage
Dauphinee Enterprise LLC	Stephine Matwyko
Dead River Company	Alain McNally
JD Landry	McNally Farm
Frank Landry and Sons	Mountain Glory Farm
Matagammon Guide Service	Deanna Morse Property Management
CM Trucking	Towering Forest
McNally Land Surveyors	Vambutas Land Company, LLC
Brett Morse Trucking	Washtub Laundromat
Scott V. Willett II	Wet Paint

Business	Business
Paul Morse	NEPSK, Inc.
Patten Redemption Center	Ordway Land and Lumber
Paradigm Marketing Group, Inc.	Parker Woodworks
Patten Drug	Patten Water Wells Company
Patten Hunting Lodge	R&L Storage Rentals
Peavey Sons Plumbing and Heating	REM Logging, Inc.
Philips Contractors, Inc.	Red Moose Gift Galley
Qualey Farms, Inc.	Richardson's Greenhouse
Samantha Richardson Photography	Albert Rickards
Katahdin View Storage	Savage and Savage Logging
Savage Paint and Body	Scrapbooking Dreams
Spruce Street Business Service	Smallwood, Inc.
T&W Trucking	Swp Maine, Inc.
The Chimney Man	Becky Taylor Tax Services
Three Oak Farm	Theresa's Headquarters
Katahdin Clapboard Mill	

Source: Town of Patten, 2017

Unemployment

The tables below show the annual average unemployment for Patten and the Houlton Labor Market area (LMA). The trend shows that both Patten and the LMA had an unemployment rate near or above the State's average. Most recently, the State's average unemployment rate has been improving while the LMA's has improved slightly or remained stable, potentially a sign of a lag in the regional economy. Economic activity is divided into "export" and "service" activities. Export activities bring dollars into the community through the sale of goods and services to the outside, i.e. the next town or the world. Service activities provide goods and services locally that re-circulate money that is already here. Some services, like retail sales, overlap as export and local activities.

Employment sectors help identify which activities are important exports in the local economy. Economic growth is driven by export activities which are also referred to as economic engines. Their importance cannot be over stated. Patten's unemployment rates decreased from 6.1% in 2004 to 4.7% in 2016. According to the Maine Department of Labor, the high was in 2009 when 12.2% of Patten's workforce was unemployed.

Houlton LMA's unemployment rate also increased from 6.3 percent in 2004 to 7.7 percent in 2016. At no time has the LMA's rate been below 6.0% and the high was 11.5% in 2009. The jump in unemployment rates at this time can be attributed to mill closures or downsizing in New Limerick, East Millinocket, and Millinocket.

Patten Unemployment 2004-2016

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate %	Maine Unemployment Rate
2016	450	429	21	4.7	3.9
2015	449	426	23	5.1	4.4
2014	472	436	36	7.6	5.6
2013	479	440	39	8.1	6.7
2012	477	432	45	9.4	7.2
2011	485	432	53	10.9	7.7
2010	492	434	58	11.8	8.2
2009	557	489	68	12.2	8.1
2008	554	507	47	8.5	5.4
2007	562	516	46	8.4	4.7
2006	557	512	45	8.1	4.7
2005	562	516	46	8.2	4.9
2004	537	504	33	6.1	4.6

Source: Maine Department of Labor, 2017

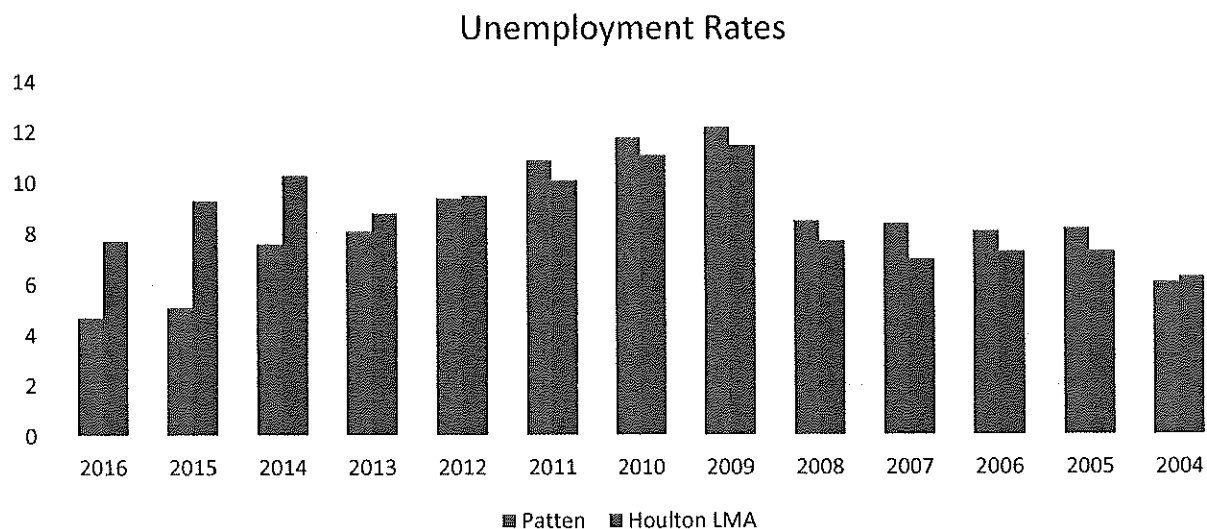
Houlton LMA Unemployment Rates

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate %
2016	7,881	7,273	608	7.7
2015	8,130	7,373	757	9.3
2014	8,133	7,292	841	10.3
2013	8,310	7,580	740	8.8
2012	8,380	7,580	800	9.5
2011	8,500	7,640	860	10.1
2010	8,530	7,590	940	11.1
2009	8,490	7,510	980	11.5
2008	8,480	7,830	650	7.7
2007	8,482	7,888	594	7.0
2006	8,537	7,910	627	7.3
2005	8,533	7,907	626	7.3
2004	8,307	7,763	544	6.3

Source: Maine Department of Labor, 2017

The following chart compares Patten's unemployment with Houlton LMA between 2004 and 2016. Patten's rate has been about the same as that of the LMA but higher between 2005 and 2011. This is due to mill and plant closures and a general downturn in the forest economy during that timeframe.

Patten and Houlton LMA's Unemployment rate 2004-2016



Source: Maine Department of Labor, 2017

The table below shows the major employment sectors in Patten and their relative importance in the local economy as compared to the State. The location quotients help to show which sectors are most important in the Town's economy. They illustrate the ratio between the percentages employed in a given sector locally and at the State level. If the Town is more dependent on one sector as compared to the State then, in theory, it must be exporting some of these goods or services outside the region. Patten's "export" industries create the engines that power the local economy and its potential for growth. These are the structural components of the local economy.

Patten Employment – Occupation 2015

	Patten		Penobscot County		Maine	
	Number	Percent Employed	Number	Percent Employed	Number	Percent Employed
Civilian employed population > 16 years	426		71,852		651,335	
Agriculture, forestry, fishing & hunting, mining	29	6.8	1,475	2.1	15,564	2.4
Construction	47	11.0	4,642	6.5	47,092	7.2
Manufacturing	10	2.3	4,201	5.8	62,054	9.5
Wholesale trade	1	0.2	1,613	2.2	15,957	2.4
Retail trade	19	4.5	10,856	15.1	89,517	13.7
Transportation, warehousing, and utilities	54	12.7	3,245	4.5	26,241	4
Information	0	0.0	1,079	1.5	12,280	1.9
Finance and insurance, and real estate	37	8.7	3,105	4.3	40,187	6.2
Prof., scientific, mgmt., admin., & waste mgmt.	13	3.1	5,053	7.0	56,069	8.6

	Patten		Penobscot County		Maine	
	Number	Percent Employed	Number	Percent Employed	Number	Percent Employed
Education, health care, & social assistance	180	42.3	24,105	33.5	174,744	26.8
Arts, entertain., rec., accommodation, & food	15	3.5	6,393	8.9	54,953	8.4
Other services, except public administration	13	3.1	3,097	4.3	29,129	4.5
Public administration	8	1.9	2,988	4.2	27,548	4.2

Source: American Community Survey, 2016

The leading areas of employment or occupations fall into four broad categories. The highest number includes Education, Health Care and Social Assistance with 42.3% of the workforce employed in this sector. This is due to the number of health care facilities in Town as well as the sub region and the fact that there are schools located nearby. Next is Transportation, Warehousing, and Utilities which is represented by the trucking companies and other businesses and the third highest is Construction. The final category is finance and insurance and real estate which includes banking and credit union employees, insurance sales and service, and real estate brokers.

Forestry and Agriculture

Forestry and farming need economically viable conditions. While the development of a comprehensive plan can do little to create markets for agricultural and forest products, there are several strategies town officials can take to encourage additional markets and local transactions). Property taxation; the crowding of working lands by homes and other uses that might consider farm and forest operations a nuisance; and sewer and water line extension policies that promote residential development into rural areas all affect the economics of farming and forestry. Patten can consciously influence or control these factors.

Town specific information relating to the forestry industry is difficult to obtain. The US Census publishes an annual report, Profile of Timber and Wood Products, on a county basis. This report provides information of the forest and wood products industry for Penobscot County and compiles data on forestry and logging, sawmills and wood preservation, pulp, paper and paperboard mills, veneer, plywood and engineered wood and other wood product manufacturing. According to the Census, the timber industry accounted for 2.8 percent of the total employment in Penobscot County, down from 5.7 percent in 1988. During that same timeframe timber employment shrank from 3,039 jobs to 1,617.

According to the Bureau of Labor Statistics (2016), between 1988 and 2015, average wages in the forestry and logging industries grew from \$40,528 to \$47,556, approximately 17% increase. Conversely wages in the wood products and manufacturing sector shrank from \$37,776 to \$30,304, a 4 percent decrease. Regional mill closures have severely impacted the economy of the greater Patten area as well as those of Medway, Millinocket and East Millinocket.

More localized data was compiled with the assistance of the Maine Forest Service and town officials. Town officials keep track of Tree Growth information. The Maine Tree Growth Tax Law provides for the valuation of land that has been classified as forest land on the basis of productivity value, rather

than on just value. The law is based on Article IX, Section 8 of the Maine Constitution that permits such valuation of forest land for property tax purposes. The land must be used primarily for the growth of trees to be harvested for commercial use. Owners must manage tree growth classified parcels according to accepted forestry practices designed to produce trees having commercial value. In considering this option owners may be guided by, but are not limited to, the following accepted forestry practices: timber harvesting, tree planting, direct seeding, site preparation, thinning, cleaning, weeding, pruning, inventory of standing timber, forest protection measures (insect, fire, wind, etc.), and boundary line work.

Patten Tree Growth, 2017

Number of Landowners	Number of parcels	Softwood Value	Mixed Wood Value	Hardwood Value	Total Value
48	72	\$258,822	\$892,097	\$500,744	\$1,651,693

Source: Town of Patten, 2017

The following harvest information was provided by the Maine Department of Agriculture, Conservation, and Forestry and is the most recent available. On average, there are about 723 acres of land (18 harvesting operations) harvested in Patten each year.

Summary of Timber Harvesting for the Town of Patten

YEAR	Selection harvest, acres	Shelterwood harvest, acres	Clearcut harvest, acres	Total Harvest, acres	Change of land use, acres	Number of active Notifications
1991	215	10	195	420	0	4
1992	477	28	124	629	0	9
1993	155	0	0	155	0	6
1994	426	50	17	493	0	6
1995	370	68	10	448	0	9
1996	632	0	5	637	0	11
1997	472	0	0	472	5	9
1998	387	125	0	512	0	11
1999	701	32	0	733	0	25
2000	322	159	0	481	0	21
2001	708	168	12	795	2	15
2002	1,024	4	0	1,028	0	25
2003	500	316	0	816	0	22
2004	576	15	0	591	0	23
2005	1,141	124	0	1,265	0	31
2006	1,204	392	0	1,596	1	31
2007	744	138	0	882	5	31
2008	755	515	0	1270	0	27
2009	503	136	23.4	662.4	0	21
2010	772	105	0	877	0	22

YEAR	Selection harvest, acres	Shelterwood harvest, acres	Clearcut harvest, acres	Total Harvest, acres	Change of land use, acres	Number of active Notifications
2011	443	377	0	820	0	20
2012	213	157	26	396	22	18
2013	263	397	0	660	0	17
Total	13,003	3,316	412.4	16,638.4	35	414
Average	565	144	18	723	2	18

Source: Maine Department of Agriculture, Conservation, and Forestry, 2017

There have been several noticeable enhancements to the forestry industry that could greatly benefit landowners in Patten. In February 2017, 42 Railroad Ave LLC announced the finalization of the purchase agreement for the 24 megawatt power generation station Sherman Development, from Niagara Worldwide LLC. 42 Railroad Ave LLC plans to rebuild the turbine, activate new transmission lines, and build a rotary kiln to produce more than 100 tons per day of activated carbon, which has a number of applications, including water and air purification, oil spill cleanup, medical treatments, and trapping mercury emissions from coal-fired power stations and natural gas wellheads.

Additionally, the re-opening of the ReEnergy Plant in Ashland provides new markets for woodchips harvested in the Patten area. JD Irving recently invested more than \$32 million to modernize their mill in Ashland. This mill produces more than 100 million board feet of softwood lumber and is considered one of the most modern sawmills in North America. Maibec recently spent over \$2 million to upgrade and modernize their mill in Masardis. These three projects are projected to create 100 new jobs and open up new markets for landowners in northern Penobscot and Aroostook Counties.

Agriculture

As in Forestry, town specific agricultural information is difficult to obtain but Penobscot and Aroostook County information was obtained through the Census of Agriculture and American Community Survey. The following tables show agricultural data for Penobscot and Aroostook Counties for 2002, 2007, and 2012, the latest Census of Agriculture.

Penobscot County Agricultural Data 2002-2012

	2002	2007	2012	Percent Change
Number of Farms	575	545	677	17.7
Land in Farms (acres)	107,082	68,719	75,725	-29.3
Average Size (acres)	186	126	137	-26.3
Market Value of Products Sold (\$000)	\$28,955	\$42,523	\$50,155	73.2
Average Farm Reporting Sales	\$50,357	\$60,231	\$74,084	47.1
Government Payments (\$000)	\$1,417	\$889	\$1,044	-26.3

Source: USDA 2002, 2007, 2012 Census of Agriculture Summary Report

Aroostook County Agricultural Data 2002-2012

	2002	2007	2012	Percent Change
Number of Farms	1,084	1,246	895	-17.4
Land in Farms (acres)	391,675	375,568	350,911	-10.4
Average Size (acres)	361	301	392	8.6
Market Value of Products Sold (\$000)	\$121,158,000	\$146,516,000	\$210,517,000	73.7
Average Farm Reporting Sales (\$000)	\$111,770	\$117,589	\$235,215	110.4
Government Payments (\$000)	\$2,333,000	\$2,779,000	\$2,942,000	2.6

Source: USDA 2002, 2007, 2012 Census of Agriculture Summary Report

As stated in the introduction, Patten’s potato acreage has declined since its heyday in the 1970s. However, there is a varied and diverse agricultural community that grows a variety of crops that are for sale to the general public. These include vegetables, beef, dairy, pigs, hay, oats, barley and other crops.

McNally Farms has a farm stand located on Main Street as well as pick your own blueberries on their farm on the Frenchville Road. There are other producers with stands on the Shin Pond Road, Crystal Road, Frenchville Road, and Waters Road.

Haymart owns and operates farms in Maine, Arkansas, Missouri and Nebraska. (approximately 4,200 acres). The owners work to certify that their farms are organic and they typically purchase abandoned or over-grown farms which guarantees that the land is free from chemicals. Haymart currently owns four (4) parcels in Patten including Grandpa’s Mettle Farm, Falling Barn Farm, Hidden Heirloom Farm, and Casey’s Fishtale Farm. They grow soybeans, oats, barley, apples, and harvest wood for their pellets. Haymart also owns farms in surrounding communities.

Haymart purchased the closed Appalachian Katahdin wood veneering mill in 2013. In late 2014, Haymart made the decision to partially transform the structure into a pellet milling operation that would also be capable of pelletizing hay and grains grown on their farms. A localized pelleting operation also affords Haymart an outlet for wood from their clearing operations as well to pelletize hay and grains. In 2017, Haymart received a building permit to allow for the placement of grain silos on site.



The Amish have purchased two (2) parcels on the South Patten Road and one (1) on the Happy Corner Road, as well as in surrounding communities. Much of this land was fallow and were vacant farms

which have now been brought back into production. They also provide stick built structures and carpentry services in the area.

There has also been an increase in the number of small “home” farms that are producing beef, chicken, and poultry, mainly for their own use but also on a limited sale basis. There is currently a very strong market for grass fed beef.

Another growing opportunity in town has been the increase of berry farms, maple sugaring operations, and grass/hay farming.

Maine Potato Production

According to the Maine Potato Board (MPB), potato acreage has dropped in Maine since 1990 and while yields (CWT) have fluctuated, they have remained steady. Markets for crops grown in Patten are available through the normal channels located throughout Maine and the mid-Atlantic states. According to the MPB Massachusetts, New York, and Pennsylvania are the three largest consumers of Maine’s tablestock potatoes. McCains Foods located in Easton is the last French fry processor located on the east coast of the United States. Changes in the market conditions need to be watched carefully and agricultural producers in Patten are well aware that they are part of a national and global market and subject to changes in dietary thoughts of the general public. This does not take away from the fact that Patten’s farms and farmland is an important part of the Town’s complex identity and economic sustainability.

Maine Potato Production 1999-2016

	Acres Planted	Acres Harvested	Yield/Acre (CWT)	Production (000)
1999	65,000	62,500	285	17813
2000	64,000	64,000	280	17920
2001	62,000	62,000	260	16120
2002	64,000	64,000	265	16960
2003	66,000	65,500	260	17030
2004	63,500	62,000	310	19220
2005	57,500	56,200	280	15736
2006	58,500	58,000	315	18270
2007	57,100	57,000	290	16530
2008	56,000	54,700	270	14769
2009	56,500	55,500	275	15263
2010	55,000	54,800	290	15892
2011	57,000	54,000	265	14210
2012	58,000	57,300	270	15471
2013	54,500	53,000	295	15,635
2014	51,000	50,500	290	14,645
2015	51,000	50,500	320	16,160
2016	46,500	46,000	315	14,490
Average	57,922	57,067	286	16,247

Source: Maine Potato Board, 2017

Tourism

For tourism purposes, Maine is broken into eight (8) regions. Patten, appropriately, is considered part of the Highlands region and is also closely related to the Crown of Maine (Aroostook) region. The Highlands region is located in central Maine and includes Patten, Lincoln, Bangor, Millinocket, Greenville, the Baxter State Park area, and the Moosehead Lake region.

DPA, a travel and tourism consulting firm, compiles data on tourism for the State of Maine. They compile information on tourism related trips which include day trips, leisure trips, trips to see friends, or business trips for trade shows conferences/ conventions. Expenditures are estimated for visitors spending the night and all out of state day trips.

Their data shows that an estimated 4.4 million visitors came to the Maine Highlands region in 2016, a nearly 10% increase over 2015. These visitors spent \$856 million (20% increase over 2015) with a majority of the spending on lodging, followed by retail sales, and restaurant and food. It is estimated that tourism supported 14,714 jobs and provided over \$78 million in taxes in 2016.

DPA estimated that Aroostook County (Crown of Maine) region had 1.4 million visitors in 2016, a 9.5 percent increase over 2015. These visitors spent \$157 million with a majority of the spending on lodging, restaurant/food, and retail sales. Tourism supported 2,784 jobs and \$14.7 million in taxes. The Crown of Maine Region includes all of Aroostook County.

Tourism has been part of Patten's economy for many years. In the past, Patten was a destination for hunters and fishermen and sporting camps and registered Maine Guides were a draw. There was a flying service located in nearby Shin Pond that flew sports to remote areas which is still in existence today. Several sporting camps offer the traditional Maine experience for those wishing to visit the region.

While hunting and fishing is still important, Patten is located at the gateway to the North entrance of Baxter State Park and now the Katahdin Woods and Waters National Monument. The impact of the new monument has yet to be determined but Baxter State Park draws many visitors to the region each year. These two regional resources along with the International Applicant Trail and Katahdin Woods and Water Scenic Byway attract visitors who purchase supplies at stores located in the downtown.

Patten has hundreds of miles of snowmobile and ATV trails that are maintained by local clubs. These trails attract visitors to the region, especially those who do not have the opportunity to utilize their vehicles where they live. Town officials work with both clubs and landowners to ensure that the trail systems remain open for use. In 2016, the Town agreed to make all town roads ATV Access Routes

The Butler Foundation is seeking permits to build a \$5 million outdoor education facility south of Patten near Baxter State Park and the Katahdin Woods and Waters National Monument. If permitted by the MDEP, the Maine Waterside Trails will be built on the East Branch of the Penobscot River off Route 11 and would be the first large-scale investment near the Katahdin Woods and Waters National Monument. It is projected that Waterside Trails will host as many as 3,500 students in grades 4-12

annually to hiking, mountain bike trail riding, snowshoeing and cross-country skiing, plus an outdoors curriculum.

The proposal calls for the construction of a 3,000-square-foot administrative office and storage facility on the river's east bank in Soldiertown. The proposal also seeks the construction of about eight miles of trails through some of the 5,000 acres of foundation-owned land in the area, including one trail that will run to within 800 feet of monument lands. The proposal will allow the foundation to shift some educational activities from a smaller base built on the Passadumkeag River in Passadumkeag that has been operating for a few years.

Fiber Optics-Three Ring Binder

To improve Maine's connectivity, the 3-Ring Binder project was designed by a group including the University of Maine and GWI, a telephone and internet provider. The federal government, as part of the economic stimulus programs in 2008-2009, awarded \$25.4 million for this project, supplemented by a private investment of \$7.5 million from Maine Fiber Company (MFC), which owns and operates the fiber facilities. MFC completed construction of this new 1100 route-mile fiber-optic network in August of 2012. Fiber is now available for lease in some of Maine's most rural areas. MFC is actively seeking customers to lease fiber-optic facilities, and has several carriers, retail ISPs, and public sector customers currently utilizing fiber on the network.

- The 3-Ring Binder is a 1,100 mile, open access, middle-mile fiber optic network that was completed in August of 2012. The project will make broadband Internet access more readily available to approximately 110,000 households in Maine.
- Carriers have signed up to use the network. In addition, there are (2) higher education organizations, and (2) municipalities taking advantage of the middle-mile fiber. The University System of Maine uses the fiber to connect 22 of their campus and satellite locations.
- The network passes through approximately 172 towns in the state, including many in very rural areas of Maine.
- The project connects 100 community anchor institutions (CAI) to the network. Community anchor institutions include hospitals, rural healthcare clinics, community colleges, University of Maine campuses, libraries, government facilities, and public safety departments.

Commute to Work 2016

The table below suggests employment location based on travel time to work. According to the American Community Survey, the largest percentage of Patten's workforce over the age of 16 travels to work in a personal vehicle. It is assumed that those traveling under 15 minutes to work reside in Patten. Based on this, 29% of residents that are employed work in Patten. According to the American Community Survey, over 20% of Patten's workforce travels more than 45 minutes to work each day and nearly 32% travel more than 30 minutes which suggest that Island Falls, Lincoln, Medway, Ashland and Houlton are some of the largest employee destination of Patten's residents. Patten is located on a major transportation hub, Route 11, which opens employment opportunities both north and south.

	Patten	Percent	Aroostook County	Percent	Penobscot County	Percent	Maine	Percent
Workers	416		29,882		70,797		635,475	
Car, Truck, or van, drive alone	328	78.8	23,619	79.0	56,468	79.8	495,743	78.0
Car, Truck, or Van, carpooled	7	1.7	3,427	11.5	6,968	9.8	65,287	10.3
Public Transportation	0	0.0	35	0.1	398	0.6	4,032	0.6
Walked	53	12.7	971	3.2	2,784	3.9	25,475	4.0
Other	3	0.7	508	1.7	1,286	1.8	10,451	1.6
Work at Home	25	6.0	1,322	4.4	2,893	4.1	34,487	5.4
Mean Travel time (minutes)	20.2		17.6		22.3		23.6	

Source: American Community Survey, 2016

Travel Time to Work, 2016

	Patten	Aroostook County	Penobscot County
Workers over 16 who did not work at home	391	28,560	67,904
Less than 5 minutes	97	3,372	3,881
5 to 9 minutes	83	6,121	9,372
10 to 14 minutes	29	4,784	12,160
15 to 19 minutes	42	4,392	11,790
20 to 24 minutes	16	3,415	9,905
25 to 29 minutes	0	1,143	3,374
30 to 34 minutes	28	2,491	7,022
35 to 39 minutes	3	432	1,395
40 to 44 minutes	12	376	1,697
45 to 59 minutes	42	966	3,253
60 to 89 minutes	30	644	2,159
90 or more minutes	9	424	1,896

Source: American Community Survey, 2016

Taxable Retail Sales

In Maine's sales tax system, codings are by store type, not product. Thus, each store is coded into one of the store-type groups below depending on its predominant product; i.e., furniture sold by a furniture store will be included in General Merchandise sales while furniture sold by a hardware store will be included in Building Supply sales. The following are the categories of Consumer Retail Sales.

1. Consumer Retail Sales: Total taxable retail sales to consumers.

2. Total Retail Sales: Includes Consumer Retail Sales plus special types of sales and rentals to businesses where the tax is paid directly by the buyer (such as commercial or industrial heating oil purchases)
3. Building Supply: Durable Equipment Sales, Contractors' Sales, Hardware Stores and Lumber Yards.
4. Food Stores: All food stores from large supermarkets to small corner food stores. The values here are snacks and non-food items only, since food intended for home consumption is not taxed.
5. General Merchandise: In this sales group are stores carrying product lines generally carried in large department stores. It includes clothing, furniture, shoes, radio- t.v., household durable goods, home furnishings, etc.
6. Other Retail: This group includes a wide selection of taxable sales not covered elsewhere. Examples are dry goods stores, drug stores, jewelry stores, sporting goods stores, antique dealers, morticians, book stores, photo supply stores, gift shops, etc.
7. Auto: This sales group includes all transportation related retail outlets. Included are auto dealers, auto parts, aircraft dealers, motorboat dealers, automobile rental, etc.
8. Restaurant/Lodging: All stores selling prepared food for immediate consumption. The Lodging group includes only rentals tax.

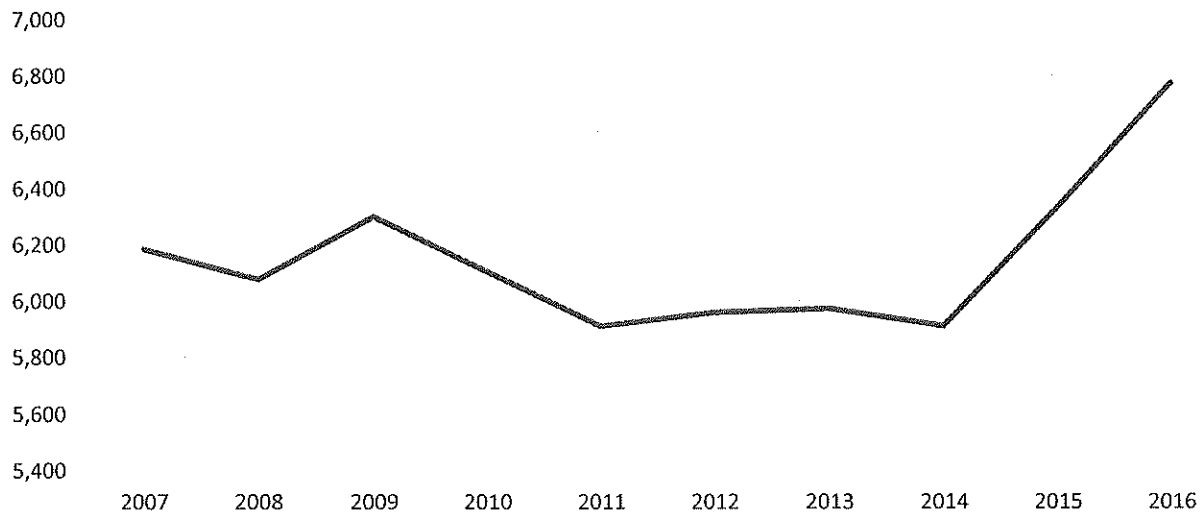
The following table shows that total taxable retail sales have increased by 9.5 percent since 2007. The category with the largest increase was **Food Store** followed by **Auto Transportation**. The largest decline is in **General Merchandise** followed by **Other Retail**. It should be noted that a \$0 does not mean that there were not sales in this category. Typically, it indicates either a single store is selling general merchandise and Maine Revenue Services protects their confidentiality or that sales fell below reportable levels.

Patten Taxable Sales (in Thousands of Dollars)

	Building Supply	Food Store	General Merchandise	Other Retail	Auto Transportation	Restaurant and Lodging	Total
2007	\$1,599	\$1,721	\$22	\$291	\$494	\$1,136	\$6,185
2008	\$1,443	\$1,750	\$14	\$295	\$433	\$1,153	\$6,078
2009	\$1,433	\$1,768	\$9	\$537	\$469	\$1,157	\$6,301
2010	\$1,427	\$1,910	\$20	\$382	\$448	\$1,170	\$6,105
2011	\$1,362	\$1,966	\$7	\$254	\$493	\$1,122	\$5,910
2012	\$1,354	\$2,023	\$6	\$212	\$461	\$1,144	\$5,960
2013	\$1,402	\$2,041	\$1	\$298	\$379	\$1,172	\$5,973
2014	\$1,527	\$2,111	\$0	\$270	\$423	\$1,158	\$5,911
2015	\$1,705	\$2,160	\$0	\$216	\$467	\$1,145	\$6,334
2016	\$1,634	\$2,787	\$0	\$200	\$636	\$1,017	\$6,775
Change	2.1%	61.9%	-100%	-31.3%	28.7%	-10.5%	9.5%

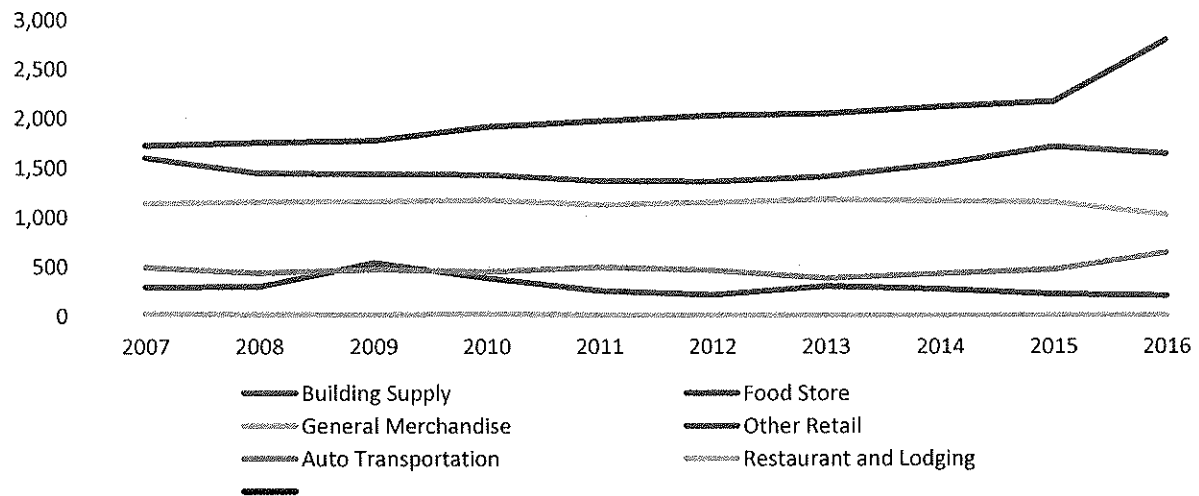
Source: Maine Revenue Services, Office of Tax Policy Research, 2017

Total Taxable Sales (\$000)



Source: Maine Revenue Services, 2017

Taxable Retail Sales (\$000)



Source: Maine Revenue Services, 2017

Median Household Income

The US Department of Commerce derives household income by taking the income of all persons living in a household aged fifteen (15) and over and dividing by the total number of households within the town. In 2015, the median household income for Patten was \$40,547. This is slightly higher than the Aroostook County median household income of \$36,923 (\$496 per household) and slightly lower than

Penobscot County's household income of \$44,271. As compared to the State's median household income, Patten is lower by \$7,672 per household, with the Maine's median household income equaling \$48,219.

Per Capita Income

Per capita income is derived by adding the incomes of all residents of Patten and dividing by the total population of the town (even those with no income). According to the 2016 American Community Survey, the per capita income for Patten equals \$22,646. This is slightly lower than the per capita income for Penobscot County at \$24,149 and higher than that of Aroostook County, which equals \$21,763. Patten's per capita income was significantly less than Maine's per capita income of \$27,655.

Poverty Status

According to the 2016 American Community Survey, the poverty status of residents living in Patten shows 15.1 percent of all persons have incomes below the poverty level. This is slightly lower than the Aroostook County statistic of 15.9 percent and significantly higher than the State of Maine's 13.9 percent of all persons having incomes below the poverty level. The highest percentage for all categories surveyed belongs to "unrelated individual" where 32.6% have incomes below the poverty level.

Regional Plans

Northern Maine Tourism Plan

With funding from the USDA Department of Agriculture-Rural Development, NMDC and Aroostook County Tourism (ACT) began planning for a five-year tourism plan in January 2011. The result of their efforts is the Northern Maine Tourism Action Plan 2011-2016. This tourism action plan has been shaped through extensive community engagement with sector businesses and nonprofits, committee participation, and general research. It includes all of the towns, townships and communities within Aroostook County and builds upon, and is a continuation of, the previous tourism business plan completed in 2005.

There are five goals listed in priority, for building a stronger tourism sector:

1. Improve organizational structure and capacity
2. Enhance tourism sector through education and training
3. Build and maintain collaborative partnerships and networks
4. Clarify the message and sharpen communications
5. Strengthen the product and expand the market.

Re-Engineering the Region: Leveraging Emerging Opportunities.

In 2016, Eastern Maine Development Corporation (EMDC) completed a Re-Engineering the Region: Leveraging Emerging Opportunities report. While this report did not deal with Patten specifically, it did look at the Millinocket/East Millinocket area and Penobscot County region. The report concluded that "Small changes, marginal improvements, and tinkering at the edges will not suffice. New vision

to think big, coupled with new culture to build capacity for regional transformation is needed to leverage emerging opportunities.” The plan is designed to energize the region and identified seven (7) sectors that provide the most opportunity including:

- Forest and Woods Products
- Tourism and Hospitality
- Bioscience and Healthcare
- Agriculture and Food Production
- Emerging Technologies
- Construction and Boat Building

Comprehensive Economic Development Strategy (CEDS)

The U.S. Department of Commerce, Economic Development Administration (EDA) has designated EMDC as the regional entity responsible for the development of the Comprehensive Economic Development Strategy (CEDS) for the region of Penobscot, Piscataquis, Hancock, and Waldo Counties. The CEDS provides a regional template for future economic development, describing the economic challenges and potential of the region and prioritizing economic development projects.

EMDC is an Economic Development District focused on business development, workforce development and community development. EMDC is responsible for the facilitation of a 5 year Comprehensive Economic Development Strategy (CEDS). In addition, each year, EMDC updates the Priority Project List section of the CEDS. Patten should provide input to EMDC into this plan.

Analyses

Patten has seen significant fundamental changes in its economic structure. While closures of mills had impacted residents, the town has seen growth in its downtown, a resurgence of interest in the area based on the creation of scenic byway and national monument, increased popularity of Baxter State Park and outdoor recreation in general.

Town has gained a number of economic engines mainly in the form of small businesses and restaurants and the existing major employers have restructured in ways that have helped them adjust to the present economic conditions. Patten’s economy remains diversified and relatively stable.

Priorities for economic development in Patten identify natural resource based businesses as vital economic engines with the greatest potential to create jobs and enhance the local economy. One area of focus is on forestry and agricultural forest resources and supports for businesses that produce, harvest and add value to these resources. Haymart is an outstanding example of this where they add value to the land and to the products. Additionally, the redevelopment of mills in the Ashland area and the potential restart of the chip plant in Sherman may help create and maintain vital forestry jobs.

Another priority is ensuring that the community can help provide the infrastructure, facilities, services and capital needed by natural resource based businesses of all scales.

The final priority is to support and maintain existing economic diversification to ensure long-term economic sustainability. Higher education, health care and tourism are vital components. The town's economic development priorities are detailed in the policies and strategies section that follows. These priorities are also reflected and detailed in the regional economic clusters report and tourism action plan.

The town capitalizes on its many natural resource based tourism assets as well as its cultural distinction. These are discussed in more detail in the sections on Recreation and History and Culture. The most notable efforts to capitalize on the town's unique assets involve local clubs and several other local organizations that sponsor major events and generate extensive media attention. These include the Patten Pioneer Days, Fiddlehead Festival, and the Lumberman's Museum. The economic impact of these events requires further study to understand their significance to the local economy. Snowmobiling has been a major calling card in the region for 25 years and trails are highly rated thanks to club efforts. ATV riding and trail network development is expected to grow significantly during the planning period and may surpass snowmobiling in economic impact.

Home occupations contribute to the local economy and provide many needed services and advantages to residents and business owners. Residents have convenient access to products and services and owners are allowed affordable space to try new enterprises. While home occupations most often involve services, the sale and display of products is also allowed. Regulations designed to protect neighborhood character and address traffic should be considered.

Given the region's long-term trend of population decline it seems practical that local economic development efforts focus on creating modest job and population growth by balancing attention and support in all economic export sectors. This should be done in a manner that protects and enhances community sustainability and the quality of life component of community sustainability. It is important to remember that economic growth can influence change in the community that is not always popular or favorable.

Local economic development policy should be based on an understanding of local issues. The persons that are directly involved in the types of business that drive Patten's economy should be engaged in implementing policy. The State goal for comprehensive planning, as it pertains to local economy, is to promote an economic climate that increases job opportunity and overall economic well-being while keeping public facilities/services and housing affordable and while maintaining environmental quality. A balanced approach should work well in Patten.

LOCAL ECONOMY
Goals, Policies, and Strategies

State Goal

To promote an economic climate that increases job opportunities and overall economic well-being.

Local Goal

To foster economic growth and increase population through the creation of natural resource, alternative energy, technology, and service based jobs.

Policy	Strategy	Responsibility	Timeframe
Encourage, create and attract companies that produce, harvest, utilize and add value to agricultural and forest related resources to remain or locate in Patten.	Seek State/Federal grant and loan funding and identify job creation and capital equipment related tax incentives that may benefit existing businesses and communicate with business owners	Town Officials, NMDC, Planning Board, DECD, USDA	On-going
	Continue to explore and support opportunities for biomass utilization and other alternatives for heating and electrical generation.	Town Officials	2017 and on-going
	Identify medium sized, natural resource based, Maine companies and implement an ongoing business outreach/attraction program that targets their expansion.	Town Officials	On-going
	Evaluate the interest of local farmers in the establishment of a packing/shipping and grain milling facility.	Town Officials	2018
	Identify areas within Patten that would be suitable for alternative energy sites.	Planning Board	2017
	Seek, when needed, the creation of Tax Increment Financing District(s) (TIF) in Patten.	Town Officials	2020

Policy	Strategy	Responsibility	Timeframe
	Study the feasibility of extending infrastructure to prospective industrial sites and seek funding for the development of infrastructure improvements.	Planning Board and Town Officials	2017-19
	Participate and support regional business development/attraction initiatives.	Town Officials.	2017 and on-going
	Research, support and initiate with industry participation, a private or public vocational/technical program in forestry and forestry equipment operation.	Town Officials	2018
	Contact existing natural resource based businesses to determine their interest in expansion or diversification and provide assistance.	Town Officials	On-going
	Research and identify available northern Penobscot and southern Aroostook labor force skills and expatriated labor force skills and use in business attraction.	Town Officials, EMDC, NMDC, Aroostook Partnership, University, Community Colleges,	On-going
	On an on-going basis, advocate for changes in State and Federal policy that are favorable to business.	Town Officials	On-going
Support continued economic diversification to ensure the long-term sustainability of the local economy. Seek funding to initiate new programs.	Support the needs of existing businesses by applying for business assistance, energy efficiency and other grants that address specific needs.	Town Officials	2017 and annually
	Work with all potential sources including local banks, private interests, local government, the Maine Department of Economic and Community Development and other State and Federal institutions to assist with business startups and expansions.	Town Officials	On-going

Policy	Strategy	Responsibility	Timeframe
	Seek grants to assist small, home-based businesses with needs for capital improvements, market access and other challenges.	Town Officials	2017 and on-going
	Support on-going efforts and investment in telecommunication system redundancy to facilitate internet based businesses.	Town Officials	On-going
	Form relationships with the Greater Houlton and Katahdin Area Chambers of Commerce and provide input on their efforts to promote tourism, organize festivals and events and support the needs and interests of retail businesses.	Clubs, Recreation Dept., and Town Officials	On-going
	Maintain a dialog with the University of Maine system, Katahdin Valley Health Center, Green Valley Associates, Mountain Heights, and other major employers to understand their need for local support. Encourage education and job creation in health care areas that serve an aging population.	Town Officials	On-going
	Continue to partner with Patten's civic organizations and clubs on projects that provide a broad benefit to community members and visitors.	Town Officials and Clubs	On-going
	Participate in and support regional efforts to improve telecommunications infrastructure needed to support hi-tech, information based companies.	Town officials	On-going