

## Pioneer Resources LLC sold to New Hampshire company

### Kinzua mills not included in sale

A sale of Pioneer Resources LLC, including 360,000 acres of commercial timberland, won't affect the operation of the Heppner and Pilot Rock Kinzua Resources mills, according to Jenny Ulum of the Ulum Group, a public relations firm hired by Pioneer Resources LLC.

Ulum said that the sale between Pioneer Resources LLC, owner of Heppner and Pilot Rock Kinzua Resources mills, and New Hampshire-based Strategic Timber Trust did not include the sawmills in Heppner and Pilot Rock and also 35,000 acres of land in Oregon. She said that the agreement between Pioneer Resources LLC and Strategic Timber Trust specified that the two mills will continue to get logs from the lands sold in the deal.

Pioneer Resources' holdings included approximately 1.7 billion board feet of merchantable timber, primarily Douglas Fir, second-growth redwoods and pine. Financial terms of the acquisition were not disclosed. The 360,000 acres included commercial timberland in northern California, eastern Oregon and Washington.

C. Edward Broom, STT's chief executive officer, said, "We are delighted with the acquisition of Pioneer Resources. The company has been well managed and key members of the Pioneer management team will be joining STT. The timber is diversified by region, tree species and age class, and the lands are located advantageously in western timber markets. The age class of these holdings—where much of the value is in younger stands—provides a strategic complement to our other, more mature holdings in the U.S. South."

According to an Ulum Group news release, STT, headquartered in New London, New Hampshire, was organized earlier this year. It intends to qualify as a real estate investment trust for federal income tax purposes and is actively building a diversified, balanced global portfolio of investment-grade timberlands.

Pioneer was organized in 1994 and focused on growing and harvesting timber for sale to domestic and foreign market, said the release. Pioneer's management built its timberland holdings by purchasing large tracts, paying prices which reflected a transaction size discount, they said. Pioneer's founder and CEO, Greg Demers, who will become a member of STT's board of directors, said, "We had been exploring various monetization options and Pioneer and felt that acquisition by a responsible organization such as STT made the most sense. Operation as a real estate investment trust offers many advantages. We are also pleased that there will be continuity of management of the Pioneer assets. STT's management also has a proven track record in the integrated business of forestry, finance and management. We expect that their many years of 'know how' will keep the company running strong into the future."

Demers also stated that the Demers Group, made up of Demers and other Pioneer partners, has retained approximately 35,000 acres of land in Oregon, two sawmills in eastern Oregon (Pilot Rock and Heppner), real estate development assets, Pioneer Aviation and other miscellaneous assets in a surviving company called Frontier Resources LLC. Frontier will continue to operate

out of the Veneta office.

According to the release, STT's senior management has structured and managed investments in high-quality timberlands for more than 15 years. Broom founded UBS Resource Investments Inc. At UBS/RII, he and others (now members of STT's senior management) helped assemble an institutional investment portfolio of domestic and international timberlands exceeding \$2 billion in value.

"Recognizing its obligations as a responsible steward of its forest lands," continued the

release, "STT prides itself on the practice of sustainable forestry. Consistent with such practices, STT will promote high-value timber production through value-added management, including the utilization of intensive silviculture techniques to maximize growth and merchantable timber yields. The company plans to grow not only by improving the growth rates and yields on its current holdings, but also by acquiring additional, quality, commercial timberlands in both the domestic and foreign markets.

### Connor retires from mill



L-R: Nelson Connor, Jim Salyers, John Green, Jan Jones and Dave Mitchell.

Levi Nelson Connor, Heppner, has retired from the Kinzua mill after 37 years.

Connor, 63, started out at Kinzua as a watchman and also cleaned up the sawmill. Around a year later he began operating the boiler, the job he has done ever since.

Connor says that a major change occurred at the mill in 1985 when they put in a new boiler with a steam turbine that generated electricity. He said that previously when the mill wasn't running, they had to scoop hog fuel into the boiler. Now, they can just push a button. "You can't believe the difference," said Connor.

Connor, 63, was born to Mary Elizabeth and Albert Connor and raised in Heppner, graduating from Heppner High

School when it was in the old building across from the elementary school.

After graduating from high school, he worked a year for the Heppner school district and then joined the Army for three years, serving in Germany.

Connor and his wife, Lois, have two children, daughter Mary Givens, Arkansas, and son, Levi, Jr., Heppner; and three grandchildren, Jessica, eight, Kimberly, five, and Jeffery, four.

Connor says that after retirement he and his family plan to go to Columbia River in their fifth wheel and would eventually like to go visit their daughter in Arkansas. They also have plans to travel to Aloha and Springfield to visit relatives.

### Fair & Rodeo court selected



L-R Bobbie Rankin, Brooke Boyer, Tracy Rankin and Nonnee Walters

Photo by Merlyn Robinson

The 1998-99 Morrow County Fair and Oregon Trail Pro Rodeo Court has been selected.

The new queen is Bobbie Rankin, daughter of Tim and Kathy Rankin, Heppner. Bobbie

was a princess on the court this past year.

Princesses are Bobbie's sister Tracy Rankin, Brooke Boyer, daughter of John and Kelly Boyer, Lexington, and Nonnee Walters, the daughter of Joe and Linda Halvorsen, Ione.

HEPPNER



### Community supports Ione Legion Hall projects



Bank of Eastern Oregon Ione Branch manager Fran Barnett

(center) presents a \$1,500 check to Wayne Rietmann, Ione Legion

Overwhelming community response was credited for making the Ione Legion Post's heating system project a success.

The Bank of Eastern Oregon recently added \$1,500 towards the project.

All of the money required to install a propane heating system at the Ione Legion hall, which was constructed either in 1900 or 1901, has been received. "The new heating system donations will give us 100 percent of what we need," said post adjutant (secretary treasurer) Conrad Tworek. "The community was overwhelming in their generosity and quick in their response."

"The response was excellent and I'm sure we're not all in," said past commander and executive board member L.J. Jerry McElligott. "We can accomplish what we set out to do."

"We're really thankful," added Post 95 Commander Wayne Rietmann.

The heating system will consist of two to three new heating units—one to two for the main hall and one for the club room. The system is still in the bid process and the Legion Post hopes to have the project completed by Thanksgiving. Once a bid is awarded the project is expected to take two to three weeks for completion.

The Legion Post 95 also plans to insulate the building, which has not been insulated up to this point, and update the electrical system to handle the new heating system.

They may also have an opportunity to get new windows

in the ballroom, which will also assist in heat conservation.

The building, which has been host to dances in the big band era, wedding receptions, high school proms and square dance clubs, has been meticulously maintained over the years. The ballroom's beautiful interior was paneled in knotty pine by World

### Health district hires interim administrator

The Morrow County Health District Saturday, Oct. 10, hired an interim administrator for MCHD, which includes the financially ailing Pioneer Memorial Hospital and Nursing Home, Pioneer Memorial Clinic and Heppner Dental offices in Heppner, clinics in Boardman and Irrigon, the Boardman dental office and ambulance services county-wide.

Sheila Dahlman, Enterprise, who specializes in interim administration, is expected to be on the job starting this Thursday and will spend three days a week in Heppner. Dahlman will divide her time between PMH, and districts in Pomeroy and Matawa, WA. Cara Osmin, MCHD chairman, said Dahlman may work with the district for around six months. After that time, a permanent administrator is expected to be hired. Dahlman's husband is CEO of Wallowa Memorial Hospital in Enterprise. She was recommended by Michael Bell, a consultant hired by the Pioneer Memorial Hospital Foundation

Post 95 Commander (center) Wayne Rietmann, Conrad Tworek (left) and Jerry McElligott (right).

War II veterans after the war. Last summer the front end of the building was remodeled with a new deck on the porch and a handicap ramp. The building got a new roof in 1995, following damage by a hail storm. The wood floors have recently been refinished to a patent-leather sheen.

to study the medical district's financial situation. Dahlman and Bell have worked together on rural health operations on several occasions during the past 15 years.

Western Health Resources, which has provided management services for the past several years, and MCHD jointly terminated their management contract, according to Scot Jacobson, MCHD human resources director and interim administrator. Jacobson will serve as administrator until Dahlman comes on board and in Dahlman's absence.

Former administrator Susan Brock, who is employed by Western Health Resources, is no longer with the district, as of last Friday.

### Candidate's Forum slated

A candidates forum has been scheduled for Tuesday, Oct. 20, at 7 p.m. at the Lexington Grange.

Everyone is invited to attend.

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