

THE LAND BARONS OF PELLSTON

By Janet Taylor Huntley

The pattern of land acquisition and development along the northern shoreline of Douglas Lake most closely resembled that found in most other areas of rural Michigan in the mid-to late 1800s, when government lands were made available for purchase in plots that typically consisted of 40, 80, 120 or more acres. Looking at an early plat map of Munro Township, the northern shore and adjacent land areas were subdivided into similarly-sized plots, mostly consisting of 40, 80, 160, 240 or even as many as 320 acres – more suitable for farming or timbering, since the recreational potential was not being considered at that time. Instead, the focus was upon homesteads, not summer cottages. Many of the surnames of these initial settlers found on this early plat map may sound familiar to our 21st century ears -- names such as Judson, McArthur, Bryant, Roberts, Brill, Heilmann, Lancaster, and Munro.

With the passage of time, some of the early landowners along our northern shoreline did, in turn, plat and sell individual lots, making them available to a new generation of residents who were now seeking recreational properties. This newer trend coincided with the completion of the final stretch of the GR&I Railroad that had extended its major North-South rail line from Petoskey on to Mackinaw City. With train stations positioned along the way in locations such as Pellston and Levering, additional access to our land-locked lake was created. The rise of tourism was further spurred by the advertising created by the GR&I that sought to encourage sportsmen and families to come to Northern Michigan to fish or to vacation.

A totally different dynamic obtained on Douglas Lake's near-western, southern, and eastern shorelines, illustrating yet another of the varying ways that newly-surveyed government-owned land was acquired and developed. In 1856, the federal government had enacted legislation authorizing the sale of millions of acres of unsettled land in exchange for the railroads' commitments to extend their rail lines into these areas with the goal of stimulating settlement and economic development. The railroads, in turn, sold substantial land tracts on either side of the proposed railway routes to wealthy individuals or groups who would then develop and sell portions thereof to the general public. Such arrangements created a win-win situation for all of the parties involved. In northern Michigan, the proceeds from the land sales helped to fund the construction of the extended rail line. In addition, the prospect of increased commercial and civilian railway traffic represented a new source of income for the railroad at a time when the volume of timber and timber products was declining. For the purchasers of this land, profits from the direct land sales or from timbering that acreage could prove to be highly lucrative, as well.

The first Land Baron to figure prominently in the development of the village of Pellston and the southern and eastern shores of Douglas Lake was William H. Pells, who had

purchased some 27,000 acres of undeveloped land on either side of the proposed railway line to Mackinaw City from the GR&I Railroad. His purchases began in 1875, roughly seven years prior to the completion of the tracks leading to Mackinaw City. This acquisition and those that followed up to 1885 continued the pattern that Mr. Pells had established throughout his career: acquiring large tracts of land to sell to settlers and/or arriving immigrants. In short, he was a land seller, not a land developer. By all accounts, he was a shrewd and highly successful businessman.

In the mid-1800s, his focus had been on property situated in New York. By the early 1870s, however, the available land in western New York state had significantly diminished, causing him to look westward to the undeveloped land tracts that were becoming available in the Midwest. In 1872, he moved his business operations from New York to central Illinois, where he set about acquiring and selling rich farm land in that area. He had also organized and platted the county seat of Paxton in Ford County, Illinois, which became the center of his family's business operations. In addition to his continuing land sales, he also became part owner of a bank located there. Within a few short years, he also set about acquiring the heavily forested land tracts available in Cheboygan and Emmet Counties of Michigan, which is how he came to play a role in and around Pellston, the proposed site of a railroad depot. Throughout those years, up until his death in 1886, however, he stayed true to his business model, focusing on land purchases and sales and not upon land development, often selling lots by mail using agents operating in Scandinavia. However, his business operations continued to be centered in Illinois, not Michigan, throughout the balance of his lifetime. So far as can be determined, he did not play any significant role in the development of the near-western, southern or eastern shores of Douglas Lake. Similarly, he did not do much to encourage settlement in the village of Pellston as evidenced by the fact that there were less than six homes in the entire village at the time of his death in 1886.

After his death, his two children – son Edgar and daughter Hannah – inherited the balance of his unsold properties. Edgar ultimately moved from Illinois to Pellston and seems to have taken charge of the Michigan-based land activities while continuing to follow the pattern established by his father: the buying and selling of undeveloped land in Cheboygan and Emmet Counties. Edgar's death, however, brought about a change in entrepreneurial focus with the arrival of surviving sister Hannah and her husband Charles Bogardus in Pellston in 1901.

In many respects, Charles Bogardus was an extraordinarily talented and accomplished man by any standard of measurement. Despite a difficult childhood, he had managed to better his position and to prosper no matter what obstacles lay before him. Born in Cayuga County, New York and orphaned by age 6, his formal education ended at age 12, when he left to work in a city retail store. By age 16, he had moved to western New York, where he secured employment as a clerk, a position he maintained until his enlistment in the Union Army in 1862 in the early stages of the American Civil War. During his time in western New York, he had met Hannah Pells, the daughter of the wealthy and successful land seller with whom he would later go into business. The couple married shortly before

he began his military career at age 21 as a First Lieutenant, a high rank considering his age and educational background. Once in the service, he and the troops he led were involved in numerous bloody engagements, during which he had been wounded twice, one of those times quite seriously, and had even once been captured by Confederate troops. Throughout his period of military service over the next three years, he rose rapidly through the ranks, from Lieutenant to Captain to Major to Lt. Colonel and, ultimately, to the brevetted rank of Colonel. Indeed, he was one of the Union field officers present at the Confederate surrender at Appomattox Courthouse in the spring of 1865.

After the close of the Civil War, Col. Bogardus returned to western New York, where he spent the next seven years as a business partner of his father-in-law, William H. Pells. When William Pells moved his business operations to Paxton, Illinois, in 1872, Colonel Bogardus and his wife joined him there. At this time, however, Colonel Bogardus began a new career as a banker at a bank in which his father-in-law held a substantial interest.

Between 1885 and 1901, Colonel Bogardus embarked on yet another career, this time as a politician. Once again he excelled, both as a legislator and then as the Constitutional governor of the state of Illinois. A brilliant future career beckoned, with strong political support for a run for the elected governorship of Illinois. With his life at a crossroads, he made the decision that would impact the balance of his life and the future of the sleepy hamlet of Pellston where, at almost 60 years of age, he abandoned all that he had built for himself in Illinois to move to a virtually empty village in northern Michigan in order to "make his fortune." And by doing so, he managed to lose it all. Many of the details of his grandiose plans and the eventual fall into financial ruin were contemporaneously documented in the local Pellston newspaper, *The Pellston Journal*, published weekly between October, 1903 and September of 1915.

Instead of purchasing and selling land, as his father-in-law and brother-in-law had done before him, Colonel Bogardus decided to become a "developer." His plan was to turn the tiny village of Pellston into a regional showplace. According to at least one source, he is purported to have announced:

"I'll pave the streets! I'll brighten up the town with electric lights and power! I'll have my own bank! I'll have streetcars! I'll build a railroad to the Inland Sea! I'll build a little Chicago!"

He actually did embark on many of these projects within a few years of his arrival in Pellston. By 1902, he had formulated a plan to turn the southern shore of Douglas Lake into a substantial recreational resort according to the plat map appearing in *The Plat Book of Cheboygan County Michigan*, published in 1902 by the Consolidated Publishing Company. The resort, as he imagined it, was to be anchored by a hotel and would have also consisted of over 100 lots arranged from seven to nine deep along the shoreline on either side of Pells Island. These individual building sites were to be accessed by roughly 15 interior streets. In addition, his contemplated resort also apparently included both golf and tennis facilities as well as designated park land.

Although this project was never actualized, most of the rest of his proposed projects were begun, and many were successfully completed, to include constructing a lumber mill in Pellston, setting up and operating at least four lumber camps, founding and opening his own bank, constructing a hydro-electric dam on the Maple River that provided electricity both to residential and to commercial customers, and building an entire new village between Pellston and Van consisting of an additional mill, a company store, and housing for these new employees. However, the most expensive and financially draining project of them all was the proposed new railroad, named the Cheboygan & Southern Railroad, which was to be built between Pellston and Cheboygan. Construction on that latter project was begun in 1903.

The funding requirements for these various projects, many of which were being completed at the same time, far exceeded his profits from lumbering, real estate sales, and his other business operations. His solution was a simple one: he approached many banks and other financial institutions, most of which were in the Chicago area, seeking to sell notes with the enthusiastic support of friends and associates from his earlier political career, all of whom were more than happy to help him secure the funds needed to build his empire. Some have estimated that as much as \$12,000,000 worth of notes were eventually issued – an enormous sum at that time. The money poured through his fingers. Possible fraud on the part of one or more business associates may also have played a role. In any event, by 1906, all construction on the railroad lines ceased for want of additional monies to complete the project. Other financial reverses followed, leading to the crash of his commercial empire in 1912 and the court-supervised sale of all of his investment properties and business operations.

When examining the role that these land barons played in the ultimate development of the shoreline of Douglas Lake, it would be easy to assume that a succession of land dealers plus the presence of a so-called “developer” possessed of grandiose schemes would have resulted in the overdevelopment of those parts of the lake over which they had control.

After reviewing the early plat map of Munro Township dating from roughly 1899 through 1902, when the Cheboygan County plat maps were published, the full extent of their ownership of the land surrounding the lake was clearly revealed. According to that plat map, William Pells’ surviving daughter Hannah Bogardus held title to all of the southern portion of what is now Silver Strand as well as all of Maple and Bryant’s Bays. In addition, her holdings extended eastward to include Grapevine Point and South Fishtail Bay plus the easternmost part of North Fishtail Bay. The almost total lack of development at that point was clearly evident from the plat map, which only shows five buildings or proposed buildings throughout the miles of undeveloped shoreline encompassed by the Pells/Bogardus holdings: the island cottages of the Fitzgerald and Stimson families, the second Douglas Lake Hotel, and two family cottages on Cayuga Point belonging to members of the Bogardus family. In short, there had been almost no development prior to 1902 in the land tracts owned by the Pells/Bogardus family prior to 1902 despite the fact that successive land barons had been engaging in extensive land sales elsewhere.

Although Hannah Bogardus and her husband Charles had intended to create a large resort, outside events in the form of extensive financial reverses intervened, leaving almost the entire stretch of their lakefront holdings undeveloped through the opening years of the 20th century. Then in 1908, they sold over 1,400 acres containing roughly 2 miles of shoreline to the University of Michigan at a price equaling only the proposed fee for a one-year lease.

As it turned out, the residents of Douglas Lake probably owe a great deal of gratitude to these early Land Barons. Although it was not their intention, the fact that they acquired so much of the available lakefront property, then left it largely undeveloped for up to 25 to 30 years thereafter, served to protect us from the types of overdevelopment seen elsewhere in the region. So, too, did the additional very generous “gift” of over 1,400 acres of land with roughly 2 miles of pristine shoreline that was to become the University of Michigan Biological Station. In short, the unique nature of our lake can be attributed, at least in part, to the actions of the Land Barons of Pellston.¹

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¹ The information conveyed in this article was secured from many sources over a period of years. Chief among these were newspaper articles from *The Pellston Journal*, published weekly from October 1903 through September 1915; various biographical extracts relating to William Pells, Charles Bogardus, and Hannah Bogardus found on the Ford County Illinois GenWeb; and a publication entitled Pellston – The Dream—The Reality—The Community, compiled by Randolph Lee Bricker, with the assistance of Merton Carter of the Petoskey Historical Society. Mr. Bricker’s compilation included many anecdotes gleaned from area residents who recalled the early days in Pellston’s history.