A Profile of James J. Hagerman - the beginning of the Colorado Midland

(Part 4) And now we come to the period chronicling Hagerman’s involvement with the Colorado Midland railroad.

Hagerman wrote in his memoirs that once Colorado Springs became a permanent residence, “I did not expect to engage in any absorbing business there…but my health having so far returned that I felt better than for many years, the first thing I knew I was in the Colorado Midland and buried with work. The history of the building and financing of that railroad and its sale to the A.T. & S.F. R.R. Co. is in two papers hereunto attached, marked A and B.” (Note: The two papers A and B are not readily available now).

A couple of related activities probably account for Hagerman’s association with the Colorado Midland.

First, as a mining industrialist, Hagerman became interested and was naturally drawn to the silver boom that was developing in Aspen and Leadville. Percy Hagerman, in his biography of his father, writes that his Hagerman “longed to be doing something active. The air was full of stories of new mining, … and the first things in which he became interested were some mining ventures in Leadville and in Aspen, a new camp on the western slope. Aspen was a camp of great promise about fifty miles west of Leadville across the Continental Divide, cut off from the rest of the world by lack of transportation and with no great chance of development until that lack was remedied.”

Apparently, Hagerman invested in some mining claims fairly early and would eventually acquire an ownership interest in the very profitable Molly Gibson mine there (but that is another story).

Hagerman also learned of great coal reserves in the areas to the west near Glenwood Springs and New Castle which could be mined and sold at a profit, with some of it being converted to coke for use by the smelters in Leadville and other places. And if that road could be expanded to connect with roads to the Pacific coast (?), i.e., through Salt Lake City, well, there much to imagine. The difficulty of realizing such potential, as Percy wrote, was the lack of a speedy means of transport – i.e., a railroad. The Denver and Rio Grande was the only line in the area, then a narrow gauge, having extended as far west as Leadville. And, it was experiencing financial difficulty at the time.

The second was Hagerman’s association with the First National Bank of Colorado Springs, where he met Irving Howbert. Hagerman wrote (in 1905) that when he and his family came to Colorado Springs in 1884, “the town was as dead as Julius Caesar…there was no business worth mentioning and little hope for a future. Real estate could be bought for a song. The deposits in the two little banks were insignificant and few of their loans could be collected.” So after selling his property and interest in the Menominee Mining Company in Michigan, Hagerman had ample capital and income to invest in silver mines in Aspen and Leadville, or in a local struggling bank.

In addition to being bank president, Irving Howbert was one of the members of a group who wanted to build a railroad up Ute Pass to Leadville and beyond. It was Howbert who encouraged Hagerman to accept the presidency of their “paper railroad” in the hopes that he could help secure the financing needed to build it.

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“James J. Hagerman” - continued from page 1

Percy describes the enterprise: “A number of men in Colorado Springs had conceived of the idea of building a railroad from that place (Colorado Springs) through Leadville to Aspen and other points on the western slope, the scheme being eventually to build on down the Grand River (now the Colorado) to Grand Junction and on to Salt Lake, thereby establishing a shorter line from Colorado to the Pacific coast, opening up a rich mining and agricultural area in Western Colorado and bringing the ores of Aspen and other newly discovered camps to the Leadville smelters. The road was to be called the Colorado Midland”

Percy’s summation belies an interesting back-story about the development, incorporation and evolution of the Colorado Midland, because several of the principal organizers were formerly from the Denver and Rio Grande railroad, and the eventual railroad that Hagerman would preside over, promote, construct and later sell, was actually the result of two plans by two different Colorado Springs groups.

After the Denver and Rio Grande (the “D&RG”) decided not to build a narrow gauge road any farther than Manitou Springs, Homer D. Fisher, a local lumberman, conceived of the idea of a railroad up Ute Pass and through South Park to Leadville. Fisher was general manager of the lumber company supplying timbers to Dr. William A. Bell (founder of Manitou Springs) and Gen. William Jackson Palmer (founder of Colorado Springs) to build their cities. He had already built a lumber rail line from his sawmills near Manitou Park, a resort of Dr. Bell’s, to a gathering spot near Crystola.

In January 1883 Dr. Bell and several friends of Gen. Palmer (founder of the Denver & Rio Grande railroad) were kicked off the D&RG as the result of a board takeover by Jay Gould and his associates. By that time the D&RG’s narrow gauge line had reached Leadville from Denver. Discouraged and in conflict with the Gould group, Palmer approached his friend, Dr. Bell, about continuing the pursuit of a road farther west over a different, more southerly route despite the D&RG’s decision to stop at Manitou. Bell was seriously considering Fisher’s idea which eventually gained enough support to incorporate as the Colorado Midland Railway on November 23, 1883.

The group included Henry T. Rogers, a Denver banker and attorney and Thomas H. Wigglesworth, formerly the engineer who was surveying routes for the D&RG, as well as Fisher and Bell. Other well-respected businessmen from across Colorado were added to the board of directors, but neither Fisher, Rogers nor Bell were elected to any board office. In fact, Dr. Bell remained only as a stockholder. The presidency went to an Edwin W. Edwards. The railroad’s plan defined two routes, one to South Park with branches south to Salida and north to Leadville, and another north to the South Platte River. It was Wigglesworth who discovered that standard gauge rails could be laid up the Ute Pass corridor.

In the meantime, the Colorado Springs group that Percy wrote about was developing their own “paper railroad” to support their mining investments in South Park, Leadville and Aspen. They proposed to build a road to Crested Butte with a branch to Leadville by way of Fairplay. That railroad was called the Colorado Short Line, and its principal organizers centered around Irving Howbert, Benjamin Crowell, Orlando Metcalf (a steel-maker from Pennsylvania) and Joseph H. Humphrey. Humphrey was a cashier in Howbert’s First National Bank. He eventually became a partner in the firm of Howbert, Humphrey and Crowell, principally financing mining adventures. The “Short Line” had also done some initial surveying.

Both groups had only limited funds. By mid-1884, neither group had made any substantial progress in their plans, so they decided to merge, the “Short Line” group being absorbed by the Colorado Midland. Joseph Fulton Humphrey was elected president and Rogers, Metcalf and Howbert joined the board.

In the spring of 1885 as Hagerman began building his new house on Cascade Avenue, he was persuaded by Howbert to join the Colorado Midland’s board of directors, which he did in May, and shortly thereafter (on June 9) was elected president. He wrote to Jerome B. Wheeler later in June 1885 to inform him that he had also been elected vice-president of the company during the same board meeting. Wheeler owned coal and silver mines in the Aspen/Glenwood Springs region and was one of the principal owners of R. H. Macy & Company in New York City. The Jerome Hotel in Aspen was named after him.

Hagerman’s letter to Wheeler, in addition to the news of his election to the board, also asked him for an investment. Thus was the beginning of a long string of letters and meetings by Hagerman and others with various friends and acquaintances, and even with potential competitors, located in the midwest and back east, and also in England, to raise the necessary capital to begin construction of the road or to sell it in its paper infancy.

The company directors had not put up much money; barely enough to keep engineer Wigglesworth in the field with his survey crew. Hagerman warned that so little capital would not attract the interest of industrial titans like Andrew Carnegie or any of the potential British financiers. Hagerman advanced the company a few thousand dollars, as did Howbert, to support...
continuing surveys and other expenses; thereafter he systematically began soliciting funds from other board members, as well as outside investors, in order to finance the surveys and expanded fund-raising efforts. The company hired a Mr. Carmichael, a professional fund-raiser, to go to England in their service with the hope of raising over $5,000,000 abroad. But in order to entice foreign investors, Hagerman advised the board that the company would have to show sufficient investment at home.

In addition to his search for large-scale investors, Hagerman set to work to trim down the competing plans of the railroad to a workable size. Preserving only the branch line to Aspen, he cancelled the rest and suggested a main route to Leadville which included a long tunnel through Horseshoe Gulch near Fairplay (part of the original Short Line plan). He also confirmed the general route from Leadville west, crossing the Continental Divide and following the Frying Pan and Roaring Fork rivers to the coal fields near Glenwood Springs, then down along the Colorado River to Grand Junction; and, he extended the line on to Salt Lake City. The Colorado Midland board accepted his scaled-down, but greatly lengthened, railroad.

In the next issue, Hagerman’s fund-raising efforts finally prove successful and construction of the Colorado Midland begins, but not without controversy, conflict and acrimony...and many changes in plans.

To be continued….
Dave’s Buyers’ Guide

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November 2012

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(Martinek Team listings are BOXED)

286 S. Forty Rd, Woodland Park
Dream Home! A magnificent custom home on 4.27 acres, a hacienda with a southwest flair. A 4BR/3BA/3GAR rancher w/ 3892 S.F. There are so many fabulous features, you’ll just have to see if for yourself. Drive up the newly paved driveway and see the new flatwork on the garage and patio. #776017

260 Ponderosa, Woodland Pk
Two Lots! Here are two level lots at the intersection of CR 45 (Crystal Peak Road) and U.S. Highway 24 just north of Florissant. The main lot is 2.59 acres and the adjacent lot is 0.67 acres, both sold together. #795650

130 Wabash TE, Cripple Creek
Rustic! Set on 2.15 acres w/ plenty of aspen and pine, this is a go-to place to go back in time. One level living, T&G ceiling, wood burning stove, breakfast nook, large deck and two storage sheds. Nestled in the trees for privacy. #751023

127 Carlton Cir, Florissant
Building Plans! This 2.04 acre lot is ready to go. Perce test done, fire mitigation trees cut, building plans available. A well permit is waiting. This is a beautiful parcel overlooking the CME valley. A dream lot for a dream home. #756034

1025 County Rd 1, Florissant
Horse Property! Fenced 4+ acres with incredible views. New carpet, maple HW floors, stainless appliances. 5BR/4BA/2GAR w/ 2120 S.F. Decks and breakfast bar. #757879

1192 County Rd, 112, Florissant
Sculptured Excellence! Open valley views on 37.7 acres, plus a functioning artist workshop. 3853 S.F. w/ 3BR/3BA/2GAR. Cherry cabinets, main level MBR, 3 walk outs. Back deck. #738857

2087 S. Mtn Est Rd, Florissant
Colorado Mountain Log! Sitting on 2.42 acres, covered porch views rock formations, elk and deer. FP and gourmet kitchen granite counters and designer cabinetry. 2080 S.F. 3BR/3BA/2GAR. #774513

1260 Ponderosa, Woodland Pk
Great views! 3BR/3BA/2GAR w/ 2750 S.F. on 0.77 acres on a ridge-line overlooking WP. Great room, 2-story wall of windows, Jennaire range in kitchen, walk-out deck, family/theatre room. Central vac, paved driveway. #723837

2847 N. Mountain Est. Florissant
Two level lots! Here are two level lots at the intersection of CR 45 overlooks the Retirement and Rehabilitation Center. Then the lot slopes severely down to Four Mile Road. View of the Dome Rock area. Secluded and very private. #756145

1413 Masters Dr, Woodland Park
On the golf course! Look out on the 6th green from the covered deck and patio. Enjoy the beautiful great room w/ FP or the granite counters in the kitchen w/ center island, pantry and breakfast nook. 5BR/3BA/3GAR w/ 3976 S.F. of living space. Main level master and laundry. It’s the best of both worlds waiting for your selection. #776037

1001 S. Mtn Est. Rd, Florissant
Meadow! Two acres of meadow and trees and some nice building sites in beautiful Colorado Mountain Estates, south of Florissant. Easy access to nearby Fossil Beds and Cripple Creek. #530773

317 Blue Spruce Dr, Florissant
Scenic! 1.61 acres lot with the building sites is on the ridge line. Then the lot slopes severely down to Four Mile Road. View of the Dome Rock area. Secluded and very private. #756145

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