The History of Chateau Grand Traverse

By Sharon Kegerreis and Lorri Hathaway

Edward O’Keefe, Jr., was born in 1931 in Philadelphia, Pennsylvania. The youngest of three boys, he spent his childhood in the Irish section of southwest Philadelphia. After attending West Philadelphia Catholic High School, O’Keefe transferred to St. John the Baptist de la Salle School to study to become a Christian brother.

O’Keefe only stayed at this school from February to June 1946, though it was enough time for O’Keefe, at age 14, to become fascinated with the wine he served to the older brothers. In the fall, he attended John Bartram Senior High where he graduated in 1949, honored with an athletic award.

After high school, O’Keefe attended West Chester University in Pennsylvania. In 1950, he toured Europe representing the United States on the national gymnastic team and ended up at Ollerup Gymnastics School in Denmark after the Korean War started in June 1950. Interestingly, he made the first cut of the 1952 Olympic team, though he was unable to continue due to a ruptured appendix.

In the meantime, O’Keefe enlisted in the army in 1951 to serve in the Korean War. He served in the army and obtained rank of Captain in the Airborne Special Forces. While stationed in France and Germany, he experienced European wines for the first time. In 1953, he was released from active duty and transferred to Reserve Officer until 1989.
After the Korean War, O’Keefe went back to West Chester University and earned a Bachelor of Science degree in Health Education in January 1956. He then attended the University of Miami Law School, but left after joining the United States Treasury Department in 1957. He became a criminal investigator working undercover in the Federal Bureau of Narcotics in New York City where he worked in organized crime and successfully prosecuted key violators. By 1959, though, with a wife and three children, he wanted to make a change in his risky career and location.

A position as director of health and physical education at the Jewish Center of Detroit led O’Keefe to Michigan. This was a position O’Keefe knew well since he had worked as the athletic director of the Greater Miami Jewish Community Center while attending law school.

He left this position to co-establish Physician’s Consulting Service in Detroit, which he served as president from 1960 to 1962. He then established Hospital Facilities, Inc., which he operated from 1963 to 1965 when he established O’Keefe Centre, Ltd., a company that built, equipped and operated five extended care nursing homes in Michigan and Wisconsin. While in the health industry, he was instrumental in changing legislation for issues involving the health industry.1

In 1973, O’Keefe, who resided in Southfield, built a summer home on Deepwater Point in Acme, near Traverse City. By 1974, O’Keefe was earning significant funds from the nursing homes.

A New Adventure

O’Keefe decided to start a winery as a sixth corporation within the holding company, so that the holding company could absorb the losses by consolidating tax statements. From the start, he envisioned a winery that crafted high-quality wines comparable to wines from the most renowned regions in the world.

At this time, Michigan’s older wineries had a newfound focus on producing wines with French-American hybrid grape varietals after decades of producing wine with labrusca grapes. Two
newer wineries had mostly French-American hybrids in their vineyards. Only a few acres of European vinifera grapes had been planted in the state; a portion of these grapes were used as test varietals. O’Keefe was heavily influenced by European wine styles and was determined to grow vinifera varieties to produce the highest quality wines. He strongly believed these vines could grow in northern Michigan.

Consulting with Experts

O’Keefe felt that northern Michigan was an ideal region to plant vineyards, especially on one of the peninsulas. Weather condition data from the National Weather Bureau dating back to 1922 indicated a three to five percent average difference in temperatures between the peninsulas. O’Keefe selected a 55-acre parcel on the slightly warmer Old Mission Peninsula, believing the vines would be slightly less at risk.

O’Keefe wasn’t experienced as a winemaker, though he wanted to do it successfully and consulted with worldwide experts to implement his vineyard and winery. He first consulted with the late Karl Werner, one of Germany’s most renowned winemakers, who had started a winery in California. Werner, whose family has been producing wines since 1411, was a 17th generation winemaker and a graduate of the renowned Geisenheim Oenological and Viticultural Institute.

Werner advised O’Keefe to consult with Dr. Helmut Becker, a teacher (and later dean) of Geisenheim and one of the world’s top authorities in enology and viticulture. After several phone conversations, Becker traveled to the peninsula to evaluate a piece of land that O’Keefe had selected. He confirmed that the peninsula had all the important elements of flourishing vineyards in world-famous regions.
The characteristics include a body of water to the west to help moderate temperatures, a high site for proper air drainage to eliminate damage caused by frost, a prevailing wind from the west to prevent mold, mildew and sandy loam for good water drainage and a southwest slope for maximum sunlight. The volume of water provides a thermal sink, a source of warmth in the winter and cool in the summer.²

Becker advised O’Keefe to change the conditions of the land to maximize results, a process that took a year to complete. Following Becker’s advice, O’Keefe reshaped the land by scraping off the top soil and moving one million cubic yards of subsoil into a southwest slope to increase sun exposure for the vines. He also added 900 tons of humus to enrich the soil and filled in roughly 75-foot ravines and a 35-foot drain. With the proper slope and air drainage in place, he had ideal growing conditions for his vineyard.

In the meantime, O’Keefe also connected with Dr. G. Stanley Howell, associate professor of the horticulture department at Michigan State University. Howell was involved in grape research, primarily in the southwest region of Michigan. He told O’Keefe that vinifera grapes could not withstand Michigan’s cold climate, a belief based upon experiments in Michigan’s southwest vineyards. The results showed that when deep freezes occurred, vinifera died on the vines. Howell explained that there was no research data to support the survival of vinifera grape varieties in Michigan’s climate and strongly advised O’Keefe against large plantings of vinifera grapevines.

Still determined, O’Keefe funded a research trip to Europe from July 25 to August 8, 1974, taking Howell and Len Olson along with him. At the time, Olson was the owner of Tabor Hill Winery of Buchanan and had a few acres of vinifera vines planted in 1970 in southwest Michigan. The trio visited Geisenheim to meet with Becker. They also traveled to wineries in Italy, Switzerland, France and throughout Germany to increase their knowledge of growing vinifera vines to make European-style wines.

**The Planting Begins**
In 1974, O'Keefe planted about an acre of several different test varieties, including German clones that were first grafted in Canada before arriving on Old Mission Peninsula. In 1986, the Michigan Department of Commerce awarded O'Keefe a $40,000 grant to continue research of these test varieties. From this testing, he learned that various clones of Chardonnay, Riesling and Pinot Noir grew well, though most of the other varieties tested were not adequate for Michigan. O'Keefe continued to test vines and eventually created a Riesling clone that is more winter-hardy, disease resistant and economical.

Werner also introduced O'Keefe to German Viticulturalist Bernd Philippi, who, in 1975, oversaw the planting of the vineyard. The varieties planted included 27 acres of Riesling and 17 acres of Chardonnay and one acre of Merlot on the 55-acre site. O'Keefe’s vineyard became Michigan’s first large-scale commercial planting of European vinifera grape varietals. Ironically, O'Keefe planted the Merlot because Bernard (Bernie) Rink had a vineyard in Lake Leelanau and had a French-American hybrid that he thought was “Merlot” spelled incorrectly. He saw that the vines were growing well and mistakenly planted Merlot. Today (2009), his Merlot vines continue to flourish.

The vineyard was planted in the classic style of the Rhine region of Germany, which uses closer vine spacing to allow the planting of about 1,066 vines per acre rather than 750 found in many U.S. vineyards. A seven-wire parallel trellising system was implemented to make the vines grow vertical allowing more exposure to sunlight. This produces more uniform ripening of bunches at the end of the growing season and facilitates more efficient vine care and harvesting. The elevation of the land allows for good air drainage – a way for cold air to flow down and out of the vineyard to avoid severe frost.
Production Begins

While waiting for the first harvest, O’Keefe constructed a state-of-the-art winemaking facility with mostly German-made equipment. Under Werner’s direction, O’Keefe modeled the winery after a winery in California. Interestingly, $38,000 was spent on integrating re-rods into the floor that followed earthquake guidelines in California. Although unnecessary in Michigan, this investment later turned prudent as the winery grew and its production needs expanded. The reinforced floor has accommodated the extremely heavy production loads that would have otherwise required additional reinforcement.

Werner produced cherry and apple wines while waiting for the first harvest from the new vineyards. After the harvest, O’Keefe brought in Miles Karakasevic, whose family crafted wines in Yugoslavia since the 1750s. In 1978, German Winemaker Roland Pfleger, a graduate of Geisenheim and heir to a 400-year old winery in Germany, took over the winemaking operations. Pfleger is son of the owner of Weingut Jacob Pfleger in the heart of the Pfalz region of Germany where he was working when O’Keefe recruited him.

The Tasting Room Opens

Chateau Grand Travers (later renamed to Chateau Grand Traverse, adding an “e” to the end) became a bonded winery on May 1, 1976, the first in northern Michigan. Incidentally, Rink opened Boskydel Vineyard on Leelanau Peninsula a few months later on August 19, 1976.

O’Keefe opened his tasting room in 1976, selling the apple and cherry wines under O’Keefe Cellars. The O’Keefe Cellars label was maintained until 1985, using it for inexpensive wine made from vinifera grapes imported from around the country to meet growing demand and create more working capital. The entrepreneur also sold imported wines from a business he had established to bring in funds until the first harvest.

The First Harvest: Award Winning
From the 1978 vintage, three hundred gallons of wine were produced and consumed for personal consumption by O’Keefe, friends and family. However, O’Keefe entered these wines into the Michigan State Fair Wine Competition in 1979 and won “Best of Show” for a late harvest Pinot Chardonnay named Sweet Sharon.6

Later that year, the first commercial harvest occurred, and O’Keefe released the winery’s first wines in 1980. The harvest bore Riesling, Chardonnay, and Merlot. Notably, the first Chardonnay won “Best of Show” at the Michigan State Fair Wine Competition.7

In 1980, Pfleger harvested Riesling grapes that he left on the vines to freeze naturally in Michigan’s cold climate, producing Michigan’s first commercial ice wine. The 1980 ice wine was sold at Traverse City’s Park Place Restaurant for $50 for the half bottle.8

Chateau Grand Traverse was attracting national attention for their early vintage German-style wines. Notable awards include earning a “best buy” rating from the International Wine Review in the gold medal category for its 1981 Chardonnay.

Pfleger also produced Dry Riesling from the 1982 harvest. When released in 1983, 300 cases of the wine sold out almost immediately. A year later, production of the Dry Riesling increased to 1,200 cases,9 accomplished by halting the production of all other wines crafted from Riesling with the exception of Late Harvest Riesling. The winery’s Rieslings became award-wining in the early 1980s and continued to win awards throughout the years.

The Challenging Years

Pfleger produced Michigan’s first commercial ice wine in 1980.
Following O'Keefe’s initial successes, a few incidents challenged the reputation of the winery. A false rumor that he added apple juice to the wines was spreading through the industry. In 1981, a former employee of Chateau Grand Traverse filed a lawsuit, which O'Keefe initially lost, though later appealed and won. In addition, O'Keefe received technical violations from the Michigan Liquor Control Commission. The combination of mishaps resulted in bad publicity for the winery.10

By 1983, the solvency of the business was a growing concern. O'Keefe had about $1,000,000 in loans and had already invested millions of dollars into the winery. With double-digit interest rates in effect, O'Keefe began to worry about bankruptcy. At the time, banks were divesting themselves from agricultural loans. Fortunately for O'Keefe, a savvy lawyer gave him the information he needed to save his business and convince the bank to forgive 22% in interest fees. 11

Also in 1983, O'Keefe joined Governor Blanchard’s business committee. While serving on this committee, he was instrumental for exempting vineyards from Michigan’s single business tax.

In 1985, Pfleger needed to return to his winery in Germany and was replaced by Mark Johnson, who had joined the winery in 1984 as cellar master. Johnson was winemaker until 1992 when he left to direct winemaking at Chateau Chantal, also on Old Mission Peninsula.

During the mid-1980s, O'Keefe continued to strive to increase the revenue of the business. At times, he had to cut costs by turning off the water in the winter and forgoing an efficiently-operating phone system. O'Keefe refers to 1985 as the “die or survive” year of the winery.

In June of the same year, O'Keefe’s eldest son, Edward O'Keefe, III, who began planting, trellising and harvesting grapes at age 12, joined the business fulltime. Armed with a marketing and advertising degree from Michigan State University, he was ready to learn all aspects of operating the business and became deeply involved with the finances of the business and determined to increase profits.
Chateau Grand Traverse did, indeed, survive, earning its first profit in 1986 when about 20,000 cases of wine were sold, more than doubling from 1985. After investing nearly $4 million to start his winery, O’Keefe finally experienced his first financial payback, 12 years after his initial investment. By 1988, the winery was bottling about 25,000 cases of wine.13

For financial protection, O’Keefe created a second label in 1990 called Grand Traverse Select as an economic plan to ensure revenue. The label, produced from grapes from beyond Old Mission Peninsula, was created as a safeguard against harsh weather conditions that can destroy a harvest.

**Garnering National Attention**

During the late-1980s, the winery continued to produce award-winning wines and garner more national attention. Chateau Grand Traverse won “Best of Show” for its 1987 Johannisberg Riesling Ice Wine at the Michigan State Fair Wine Competition, where the winery took four additional gold medals for other wines also crafted from its Riesling grapes.14

Notably, all Chateau Grand Traverse’s vintage wines were served at the 1987 National Governors Convention and, in 1988, the 1987 Johannisberg Riesling Ice Wine was an official wine served at the Presidential Inaugural of George H.W. Bush. In 1991, the 1989 Dry Johannisberg Riesling was served at the Inauguration of Michigan Governor John Engler.15

The July 31, 1992 issue of *Wine Spectator* featured Chateau Grand Traverse’s 1990 Dry Johannisberg Riesling on its list of 250 Good Wines for $10 and Less, putting the winery’s Riesling in the national spotlight again.16
For several years, O’Keefe served on the Board of the American Vintners Association (AVA) chairing the Insurance and Interstate Shipping Committee. He worked with the President of the AVA to get vineyards included in the United States Department of Agriculture Crop Disaster Program, providing grape growers with protection from major loss due to weather conditions by adding the word “vineyards” along with “orchards” in the wording of the program.

On June 8, 1987, Old Mission Peninsula was established as an American Viticultural Area (AVA). O’Keefe spent about a year completing the required tasks to obtain this approval from the Tax and Trade Bureau (TTB), formerly the Bureau of Alcohol, Tobacco, Firearms and Explosives (BATF). This approval gave the peninsula worldwide recognition as a distinct vineyard growing area.

In the early 1990s, O’Keefe also became an associate member of the National Conference of State Liquor Administrators and led the crusade for interstate shipping of wine on a national level. He also founded Cellermasters of America, an organization that enables the legal shipment of online sales of wine.

Also in the 1990s, O’Keefe was instrumental in forming the Agricultural Preservation League of Peninsula Township as an advocate for wineries and fruit growers.

During the 1990s, three more wineries joined Chateau Grand Traverse on Old Mission Peninsula: Bowers Harbor Vineyards, Chateau Chantal Winery and Peninsula Cellars. In 1997, an informal wine trail was established for the purpose of marketing the wineries and peninsula as a destination for fine wine.

It was also during this timeframe that Eddie O’Keefe, III, began playing an instrumental role in the growth of the winery. A key to the winery’s evolution into a sophisticated business was years of “shoveling every bit of money” back into the business, as well as years of focus on
developing distribution channels and a costing model for wine production, explains O’Keefe, III, now a 25-year industry veteran. He readily admits this isn’t the romantic side of the business.

O’Keefe, III, began managing the day-to-day operations in 1985, upon graduating from college. Operating a winery on Old Mission Peninsula in the 1970s, and even to present day, was a bit like trying to do business in the Wild West. There’s no factory support or handy equipment technicians. To fly in experts from California or Europe was cost exorbitant. The O’Keefes adapted and learned how to repair and manage everything themselves.

“You’re agriculture, manufacturing, retail, distribution, hospitality, bed and breakfast and tour guide. Essentially, you’re a jack of all trades who must be financially savvy to survive,” O’Keefe, III, explained.

Starting in the late 1990s, O’Keefe, III, working with his dad, literally drove distribution for Chateau Grand Traverse wines from the ground up. A warehouse of wine instigated the plan to develop distribution channels. Initially, the eldest son loaded up a rented truck and drove the family’s wine to different retail outlets. This quickly became too time consuming.

“We had to develop distributor relationships,” explained O’Keefe, III. “We worked hard, developed a pricing and delivery structure that was consistent and, of course, produced consistently high-quality wines.” Twenty years of this hard work is now paying off with plans to distribute in 10 to 15 states.17

A New Winemaking Era

In the meantime, in 1993, German-born Bernd Croissant became winemaker, replacing Johnson who left to head-up winemaking at Chateau Chantal, a brand-new winery on the peninsula. Croissant grew up in the renowned Rhine wine region of Germany. Remarkably, his family’s history in handcrafting wine dates back to medieval times in 1590.
Croissant started working in his family’s winery as an eight-year-old, cleaning small barrels before learning “whatever it took” to make the family’s wines. A sabbatical to the U.S. eventually led Croissant to Chateau Grand Traverse. The O’Keefes credit Croissant for many of their award-winning wines and tremendous growth over the years.

It was around this time that O’Keefe’s youngest son, Sean O’Keefe, started playing an active role in the family winery. The youngest O’Keefe attended college at the early age of 16, studying German and Russian literature at the University of Michigan. He later completed his studies in Germany at the renowned winemaking and viticulture school at Geisenheim.

The German-style of winemaking and tending the vineyards heavily influences Sean O’Keefe, who now oversees the quality of the grapes in the vineyard and the style of wines crafted in the production facility. He works closely with Croissant to determine styles that match market trends. He has been instrumental in the continued growth of the family’s business, particularly focusing on the Riesling grape varietal.

The youngest O’Keefe is especially enthusiastic about developing wines that are highly drinkable with lower alcohol and higher acidity. One newer wine that reflects this style of winemaking is Lot 49 Riesling. The 2009 wine release is made with grapes from a single vineyard site, rather than from multiple vineyard locations. Using grapes from a single vineyard enables the winemaker to craft wines that express the character of a specific terroir. According to O’Keefe, the result is a wine “with a sense of place that is just more.”

He has also been instrumental in applying vineyard practices that benefit the environment and aid in attracting wildlife to the serene, rolling vineyard within view of Grand Traverse Bay. Notably, these practices were recognized by Leelanau Peninsula-based Saving Birds through Habitat. The organization recognized the O’Keefes for “forward-thinking environmental policies that benefit native birds and plants in 2006.”
The Inn of Chateau Grand Traverse

In 1999, the senior O’Keefe gained sole ownership of an office and entertainment building located on his property after resigning from Cellarmasters of America. He converted the building to the Inn of Chateau Grand Traverse, a 14,000 square-foot guesthouse with six rooms that can be rented in its entirety, or by individual rooms. A colossal cellar room is accessed via a secret passage through a bookcase. Today (2009), Chateau Grand Traverse is one of only three wineries that offer onsite, overnight accommodations.

Where Riesling is King

By 2008, about 400 acres of Riesling had been planted in Michigan, making the varietal the state’s most popular wine. According to Linda Jones, Program Manager of the Michigan Grape and Wine Industry Council, “Michigan is now recognized nationally and internationally as a place of Riesling expertise.” The O’Keefes, who have been winning awards for their Rieslings since the early 1980s, played a vital role in the state achieving this recognition.

By 2009, the winery had about 80 acres of estate Riesling planted and an additional 40 acres of Riesling under contract, making the O’Keefes in control of a significant portion of the state’s Riesling. The winery produces several styles including dry, late harvest, whole cluster, semidry and with botrytis. All are grown in the Old Mission Peninsula AVA. Interestingly, grapes from the original 1974 estate Riesling vineyards still make up a large percentage of the winery’s most popular wine: Late Harvest Riesling.  

Grapes from the original 1974 estate vineyard still make up a large percentage of the winery’s most popular wine: Late Harvest Riesling.
Notably, Chateau Grand Traverse is a founding member of the International Riesling Foundation. O’Keefe, III, President of the winery since 2000, is a director of the organization and currently (2009) secretary. According to the foundation’s website, the organization was established in 2008 to “increase awareness, understanding, and appreciation of Riesling wines produced throughout the world.”

After experiencing a steady increase in production throughout the 2000s, Chateau Grand Traverse is now (2009) producing over 80,000 cases per year, making it one of the state’s largest wineries. With 20 percent growth in 2009, the winery is on track to producing 95,000 cases in 2010.

High-quality wines and distribution are essential to Chateau Grand Traverse’s growth in Michigan and beyond. Indeed, the winery has the vision to distribute wines into 10 to 15 states.

Sometimes referred to as “the maverick,” O’Keefe has earned this title for his many years of independent thought and actions and leading the way on tough issues for the betterment of the state’s wine industry.
Endnotes

1 Edward O’Keefe, Jr., Telephone interviews, 30 October 2009.
6 1979 Michigan State Fair entry form with results added by Chateau Grand Traverse.
8 The Detroit News, Even the experts are finally toasting, 9 September 1981.
13 Eric Whisenhunt, “Heard it through the grapevine: Wine industry has tough choices to make, if it’s going to knock your socks off,” Michigan Business, August 1988: 20-22.
14 GT area wineries excel at competition, August 1988.
17 Edward O’Keefe, III, Phone Interview, April 2010.
18 Sean O’Keefe, Phone Interview, May 2009.
21 Sean O’Keefe, Phone Interview, May 2009.