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Trump in talks to buy socialite Kluge's Charlottesville vineyard and estate

By Annie Gowen and Steve Yanda

Washington Post Staff Writers

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Embattled Virginia socialite and winemaker Patricia Kluge may have found a white knight to preserve her Charlottesville empire - real estate mogul Donald Trump.

Trump's business adviser said Wednesday that Trump was negotiating to buy not only Kluge's grand estate, Albemarle House, which a bank foreclosed on in January, but all of Kluge's former real estate holdings outside Charlottesville near Thomas Jefferson's Monticello estate.

Those include 200 acres of land adjacent to the estate that once had a nine-hole golf course designed by Arnold Palmer, a 900-acre vineyard and a failed real estate development where Kluge had planned to market luxury "farmettes" with their own grapevines.

Leslie Goldman, a Washington-based adviser to Trump, said it would be "premature to speculate" what Trump had planned for the area, but said the land has "significant historical value and potential for development."

"Obviously, the more acreage, the more pieces you acquire, the more possibilities there are," he said.

Trump has already made forays into Virginia real estate. In 2009, he purchased a 600-acre golf club along the Potomac River in Loudoun County and renamed it the Trump National Golf Club. He raised the ire of local environmentalists last summer after the club removed hundreds of trees that it claimed threatened the shoreline.

Trump's representative appeared at a foreclosure auction of Kluge's large estate on the courthouse steps in downtown Charlottesville Wednesday morning, where a crowd of about 50 lawyers and curiosity seekers had gathered.

In the past year, Kluge's travails have become well-known around Charlottesville, where over the last two decades the British-born socialite has cut a glamorous - and sometimes controversial - figure.

In 1999 she founded what became a well-respected vineyard on land around her grand house, which she had received as part of a high-profile divorce settlement in 1990 from John Kluge, the late media mogul who was once the country's richest man.

Kluge Estate Winery and Vineyard won accolades for sparkling wines - served at the White House and at Chelsea Clinton's wedding last summer - and a blended red called New World Red. Kluge and her third husband, retired IBM executive William Moses, worked to promote not only their own wine brand but the growing Virginia wine industry as a whole.

But in the past two years, following some aggressive expansion of the winery and the failure of the housing development, Kluge fell upon hard times. Credit problems forced her to sell off her jewelry and extensive collection of art and antiques last year. She lost the vineyard at a foreclosure auction in December.

Kluge had initially tried to sell Albemarle House - which the Sotheby's listing calls "one of the most important residences in the United States since the Golden Age" - for \$100 million, but when no buyer came forward the price was ultimately slashed to \$24 million. The eight-bedroom home has its own movie theater, wine grotto, swimming pool and helipad.

At Wednesday's auction, Bank of America, Kluge's creditor, took full ownership of the property with a bid of \$15.26 million. But Trump holds what the lawyers called a "right of first refusal" to buy the property at a later date.

Kluge and Moses declined to comment directly on yesterday's events, but both have said they have been working diligently with their lawyers over the last several months to help save their business.

The Trump organization had been working closely with Kluge and Moses on the deal, but how the partnership will play out - if they would have a future role at what would be Trump's vineyard - remained unclear Wednesday.

"They've been working together with the objective of trying to preserve the vineyard for the benefit of the Virginia wine industry," Goldman said. "If it all comes together, it may provide them an opportunity to continue to stay involved in their life's work."

Yanda reported from Charlottesville. Staff researcher Magda Jean-Louis also contributed to this report.