

Donald Trump, Real Estate Promoter, Builds Image as He Buys ...

By JUDY KLEMESRUD

New York Times (1923-Current file); Nov 1, 1976; ProQuest Historical Newspapers: The New York Times

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Donald Trump, Real Estate Promoter, Builds Image as He Buys Buildings

By JUDY KLEMESRUD

He is tall, lean and blond, with dazzling white teeth, and he looks ever so much like Robert Redford. He rides around town in a chauffeured silver Cadillac with his initials, DJT, on the plates. He dates sleek fashion models, belongs to the most elegant clubs and, at only 30 years of age, estimates that he is worth "more than \$200 million."

Flair. It's one of Donald J. Trump's favorite words, and both he, his friends and his enemies use it when describing his way of life as well as his business style as New York's No. 1 real estate promoter of the middle 1970's.

"If a man has flair," the energetic, outspoken Mr. Trump said the other day, "and is smart and somewhat conservative and has a taste for what people want, he's bound to be successful in New York."

Mr. Trump, who is president of the

Brooklyn-based Trump Organization, which owns and manages 22,000 apartments, currently has three imaginative Manhattan real-estate projects in the works. And much to his delight, his brash, controversial style has prompted comparisons with his flamboyant idol, the late William Zeckendorf Sr., who actually developed projects as striking as those Mr. Trump is proposing.

The proposed projects are:

¶ A large Manhattan convention center over the Penn Central Transportation Company's 34th Street yards. Mr. Trump, who acquired the development rights from the bankrupt railroad, has drawn up plans for a \$90 million center, hoping it will replace the stalled convention center on the Hudson River from 43d to 47th Street.

'On Threshold of Coup'

¶ A 1,500-room Hyatt Regency hotel following the reconstruction of Penn Central's Commodore Hotel near Grand Central Terminal. Last April, Mr. Trump received a controversial \$4 million-a-year tax abatement from the city, the first of its kind, for his proposal to rebuild the aging hotel building.

¶ Construction of 14,500 federally subsidized apartments on the Penn Central's 60th Street yards, to which Mr. Trump has acquired the development rights. The site is bounded by West 59th and West 72d Street, West End Avenue and the Hudson River.

"What makes Donald Trump so significant right now," said one Manhattan

real estate expert, "is that there is nobody else who is a private promoter on a major scale, trying to convince entrepreneurs to develop major pieces of property."

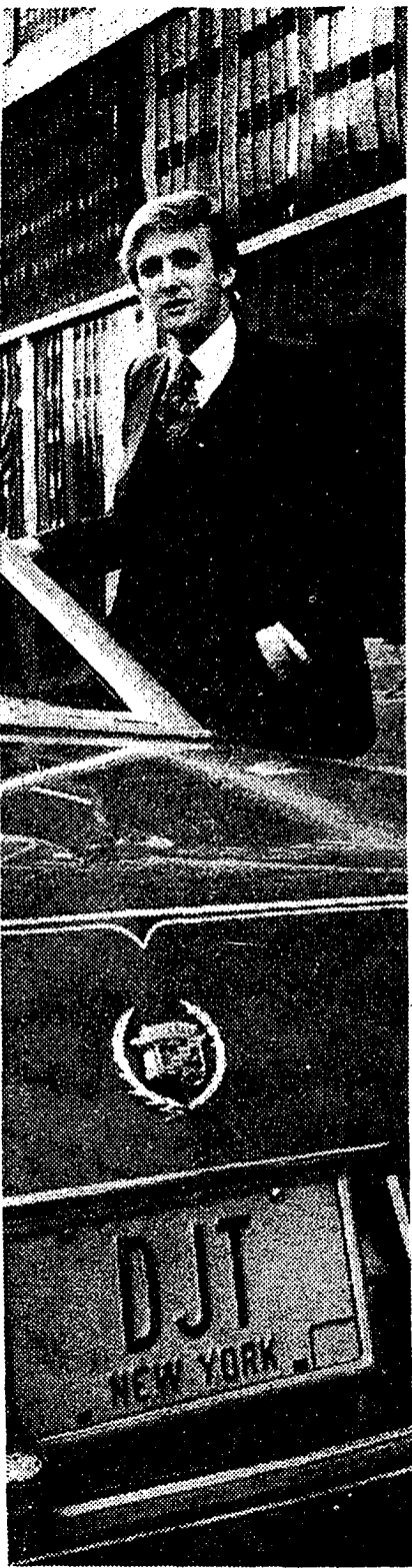
Commenting on the Commodore Hotel deal, the expert said he thought Mr. Trump was "on the threshold of the greatest real estate coup of the last miserable three years; if it goes through, you could call him 'the William Zeckendorf of Bad Times.'"

The other day, Mr. Trump, who says he is publicity shy, allowed a reporter to accompany him on what he described as a typical work day. It consisted mainly of visits to his "jobs," the term he uses for housing projects owned by the Trump Organization, which was founded by his 70-year-old father, Fred C. Trump, now the company's chairman.

The day began at 7:45 A.M., when Mr. Trump's chauffeur, Robert Utsey, a husky, gun-toting laid-off New York City policeman who doubles as a bodyguard, pulled the Cadillac up in front of the Phoenix apartment building, at 160 East 65th Street.

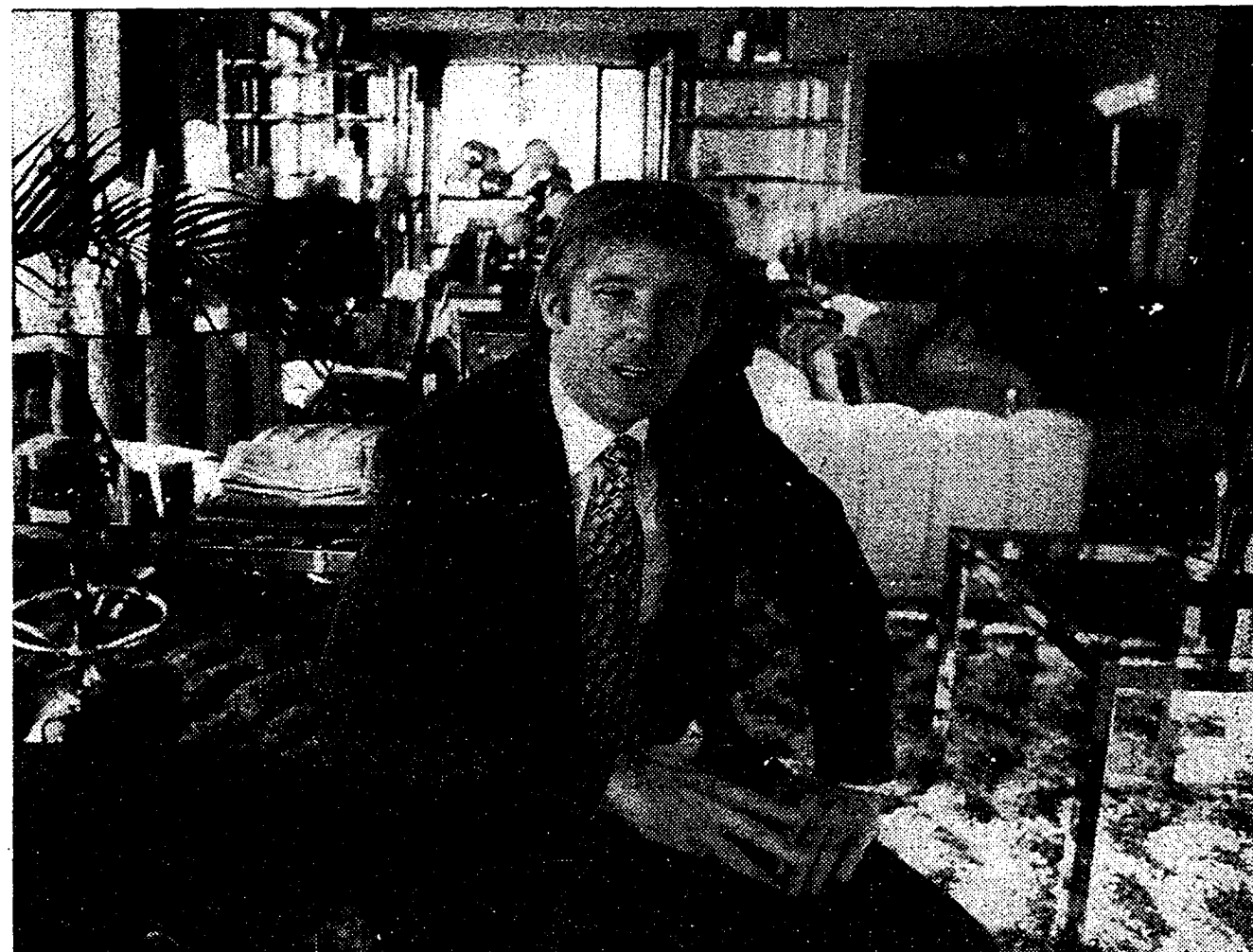
Mr. Trump, who lives in a three-bedroom penthouse apartment done mostly in beiges and browns and lots of chrome, was waiting in front of the building. He is 6 feet, 3 inches tall and weighs 190 pounds, and he was wearing a three-piece burgundy wool suit, matching patent-leather shoes, and a

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The New York Times/Chester Higgins Jr.

Mr. Trump getting into his Cadillac to begin a day of real estate deals.



The New York Times/Paul Hoserros

Donald J. Trump in the living room of his three-bedroom penthouse apartment at 160 East 65th Street

Donald J. Trump, the Real Estate Promoter, Constructs an Image With 'Flair' as He Purchases Buildings

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white shirt with the initials "DJT" sewn in burgundy thread on the cuffs.

Speaking occasionally on his car telephone to his secretary and his banker at Chase Manhattan, Mr. Trump directed his chauffeur to make stops at the 60th Street yards; the convention-center site; a federally subsidized Trump housing project for the aged in East Orange, N. J., which he calls "our philanthropic endeavor"; a middle-income housing project on Staten Island; the flagship 4,000-unit Trump Village in Brooklyn and several other older Trump-owned projects in Brooklyn that the company bought in recent years.

"That's one of the reasons for our success—while others were building over the last three or four years at 10 percent interest, we were buying, at 5½ percent mortgages," Mr. Trump said. "And the units they produced in their new buildings were much smaller than the ones we were buying."

Although the Trumps have been building in New York City since 1923, the family has not gotten as much publicity as other real-estate developers because they did not enter the Manhattan market until three years ago.

"It was psychology," Mr. Trump explained. "My father knew Brooklyn very well, and he knew Queens very well. But now, that psychology is ended."

Employs 1,000 People

One of the reasons for the current intense push in Manhattan, he said, is that the Trump Organization, with 15,000 of its 22,000 apartments situated in New York City (mostly in Brooklyn, Queens and Staten Island), has a stake in the future of the city.

The organization, which is made up of 60 partnerships and corporations, also owns apartment buildings in Washington, D. C., Maryland and Virginia and land in California and Las Vegas, and it employs about 1,000 people.

"New York is either going to get much better or much worse," Mr. Trump predicted, "and I think it will get much better. I'm not talking about the South Bronx. I don't know anything about the South Bronx."

"But in Manhattan, I feel a new convention center will be a turning point for the city. It will get rid of all that pornographic garbage in Times Square. Psychologically, I think if New York City gets a convention center, it will resurge and rejuvenate."

As he drove around the city, he exclaimed boyishly, "Look at that great building [at 56th Street and Madison Avenue]. It's available! There are a lot of good deals around right now."

What attracts him to the real estate business? "I love the architectural creativity," he said. "For example, the Commodore Hotel is in one of the most important locations in the city, and its reconstruction will lead to a rebirth of that area."

"And I like the financial creativity, too. There's a beauty in putting together a financial package that really works, whether it be through tax credits, or a mortgage financing arrangement, or a leaseback arrangement."

"Of course, the gamble is an exciting part, too," he said, grinning. "No matter how much you take out of it, you're talking about \$100 million deals, where a 10 percent mistake is \$10 million. But so far, I've never made a bad deal."

Donald Trump was in the headlines in 1973, when the Department of Justice brought suit in Federal Court against the Trump Organization, charging discrimination against blacks in apartment rentals. Mr. Trump denied the charges, and later signed an agreement to provide open-housing opportunities for minority groups.

"We never discriminated against blacks," Mr. Trump said angrily. "Five to 10 percent of our units are rented to blacks in the city. But we won't sign leases with welfare clients unless they have guaranteed income levels, because otherwise, everyone immediately starts leaving the building."

'He Has Great Vision'

Mr. Trump, a glib, nonstop talker, suddenly turned quiet when he stopped at the Trump Organization's headquarters, at 600 Avenue Z in Brooklyn, to consult with his father. Face to face, the son seemed affectionately intimidated by the older man.

"I gave Donald free rein," Fred C. Trump said in his office. "He has great vision, and everything he touches seems to turn to gold. As long as he has this great energy in abundance, I'm glad to let him do it."

"Energy is a word that frequently pops up in discussions about Donald Trump. Besides being a fast talker, he is a fast walker, a fast eater, a fast business dealer, and gives the distinct impression of being an early candidate for a cardiac arrest. Some of this energy, he said proudly could be

attributed to the fact that, "never in my life have I had a glass of alcohol or a cigarette."

His father said that Donald was the only one of his five children (three sons, two daughters) who had shown any interest in the family real estate business.

Donald, who grew up in the Trump-built family home in Jamaica Estates, Queens, began learning the business when he was only 12. He continued helping his father make deals while a student at the Wharton School of Finance at the University of Pennsylvania, from which he graduated first in his class in 1968.

"Donald is the smartest person I know," his father said admiringly.

Fellow real estate executives in this very closely knit industry also say mostly nice things about Donald Trump, even when given the chance to speak off the record.

'The Jury Is Still Out'

"He's a very adventurous young man, and we're all rooting for him," said Samuel J. Lefrak, of the Lefrak Organization. "He's bold, daring and swash-buckling. But in my opinion, the jury is still out."

Harry B. Helmsley of Helmsley-Spear Inc., said that although he had never had any dealings with Mr. Trump, he found him to be "very active around town: I just hope he can put his deals together."

Even Preston Robert Tisch, president of Loews Corporation, who is regarded as Mr. Trump's No. 1 critic in the city, spoke highly of the young promoter: "He's a very bright, capable real-estate man."

Real-estate insiders say Mr. Tisch and Mr. Trump are at odds for two reasons—the Commodore Hotel tax abatement deal (Mr. Tisch's company owns hotels), and the 34th Street convention center site (Mr. Tisch was long associated with the rival 44th Street convention-center site).

Criticism of Mr. Trump came mainly from mortgage bankers and others in the money end of the real-estate industry, all of whom requested anonymity.

"His deals are dramatic, but they haven't come into being," said one. "So far, the chief beneficiary of his creativity has been his public image."

Another money man called Mr. Trump "overrated" and "totally obnoxious," and said much of his influence had to do with the fact that he was an early financial supporter of both Governor Carey and Mayor Beame and had a powerful lawyer (Roy M. Cohn) and a powerful public relations man (Howard Rubinstein).

Lunch at '21' Club

Mr. Trump has been meeting the right people. During lunch at the "21" Club, the waiters were bowing and saying, "Hello Donald," and other lunchers, including Mr. Helmsley and assorted politicians, stopped by to say hello.

Mr. Trump took exactly one hour for lunch, during which he ate broiled filet of sole with no butter, drank ginger ale, and chatted with two men representing the National Jewish Hospital in Denver, which plans to name him their Man of the Year on Dec. 8 at a dinner in the Waldorf-Astoria Hotel.

"I'm not even Jewish, I'm Swedish," he said later. "Most people think my family is Jewish because we own so many buildings in Brooklyn. But I guess you don't have to be Jewish to win this award, because they told me a gentile won it one other year."

Mr. Trump spent a profitable afternoon, earning a \$140,000 commission for about 20 minutes' work selling part of a housing project for a friend. A witness to the negotiations said Mr. Trump was a hard-nosed broker, refusing to budge from his original terms of \$1.4 million paid over a four-year period at 9 percent interest.

'Extremely Aggressive'

The transaction took place at the architectural offices of Poor, Swanke, Hayden & Connell, at 400 Park Avenue, where Mr. Trump had gone to visit Der Scutt, the architect of his proposed \$90-million convention center.

"Donald's very demanding," the pipe-puffing Mr. Scutt said when the promoter was out of the room. "He thinks

nothing of calling me at 7 A.M. on a Sunday and saying, 'I've got an idea. See you in the office in 40 minutes.' And I always go."

When asked whether he thought Mr. Trump had any shortcomings, the architect replied: "He's extremely aggressive when he sells, maybe to the point of overselling. Like, he'll say the convention center is the biggest in the world, when it really isn't. He'll exaggerate for the purpose of making a sale."

The architect broke into a big smile. "That Donald," he said admiringly, "he could sell sand to the Arabs and refrigerators to the Eskimos."

Mr. Trump is single, with no plans of getting married in the near future, although he said he was seeing one woman—a fashion model—fairly regularly. "If I met the right woman, I might get married," he said. "But right now, I have everything I want or need."

He said he liked to relax at night by taking a date to such clubs as El Morocco, Regine's, Le Club or Doubles, or attending Knicks or Rangers games in Madison Square Garden. (He has season tickets for both teams.)

Mr. Trump ended his "typical day" by catching a plane to California, where he said he planned to wrap up a "multi-million dollar" land deal. He has been spending more and more of his time in the Los Angeles area lately, staying in a house that he owns, complete with swimming pool and tennis court, in Beverly Hills.

Is there any danger that Donald Trump will defect to the West Coast? "Some of the best deals I've made have been land deals in California," he said with a smile. "I've probably made \$14 million there over the last two years. But my friends and enemies are all in New York City, so I'll probably stay here."