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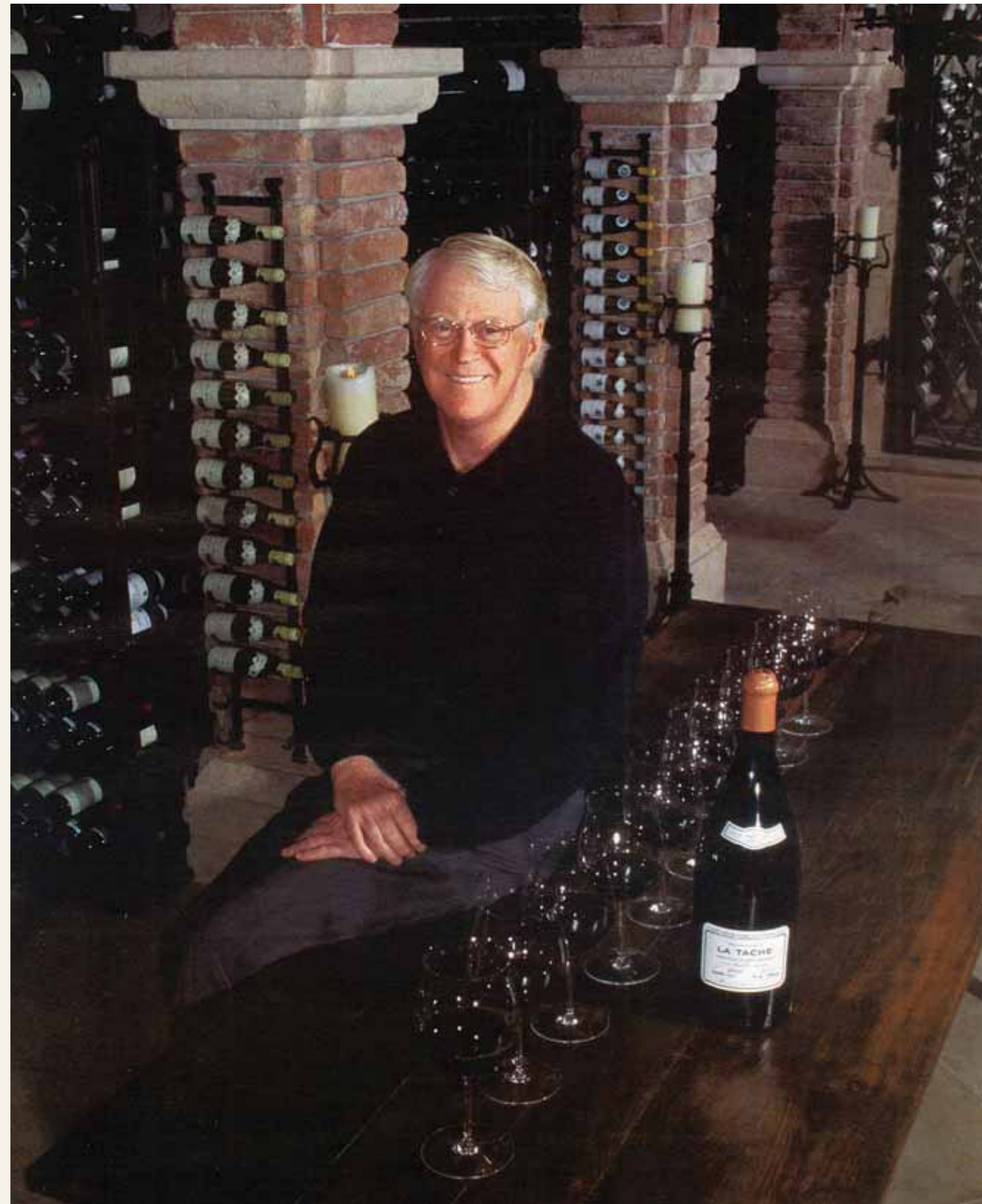
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Oil, Water and Wine

Bill Koch mixes it up, for profit and pleasure

By Ryan Isaac
Photographs by Matthew Pace

Bill Koch is as passionate a wine collector as he was an entrepreneur and a champion sailor. His new Palm Beach wine cellar evokes the grand style and history of Europe.



Bill Koch has built his life around two liquids that according to proverb should never be mixed – oil, on which he made his fortune, and water, on which he spent millions of it, sailing for the America’s Cup. But when it comes to his truest passion, Koch, 65, eschews these for a far finer fluid: wine – a 35,000-bottle collection, to be exact.

With Bordeaux occupying 60 percent of his Florida cellar and Burgundy another 35 percent, Koch’s collection is a romp through the history of France’s main winemaking regions. A series of Bordeaux verticals includes 95 years of Pétrus 100 years of Latour, 120 of Mouton and 150 of Lafite. His oldest wines – including a Lafite Rothschild 1737 and four bottles of Lafite reputed to be from the collection of President Thomas Jefferson – are caged in front of a mirror, creating the illusion that the cellar repeats itself.

When it comes to his favorite wines – which include Latour 1961, Pétrus 1971, Domaine de la Romanée-Conti 1959, La Tâche 1966, La Fleur 1982 and DRC Montrachet 1985 – Koch doesn’t skimp. Of Château Latour 1961, for example, he owns three cases of 750ml bottles, 50 magnums, four jeroboams and two imperials.

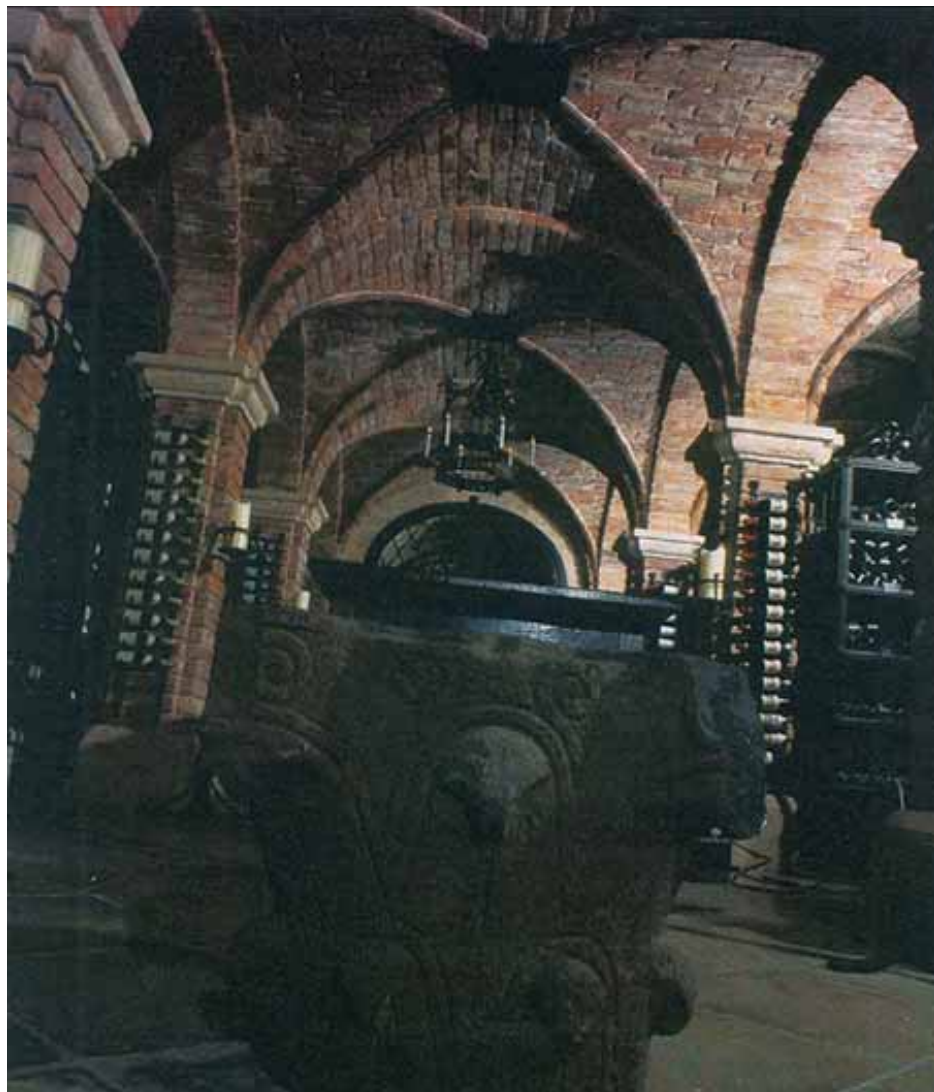
In 1996, when Wine Spectator included Koch in a story titled “Great American Cellars” (Aug. 31), the businessman lived on Cape Cod, in a six-bedroom home with a 1,000-square-foot cellar. Now Koch spends only the summer months at his Cape Cod house. These days his attention is focused on his Palm Beach, Fla., home, which he built from the ground up and completed in 2001.

“I wanted to build a house that satisfies my needs, which would hold my art collection and my wine cellar,” he says. “I didn’t want that space to be similar to the space on Cape Cod, which is more of a nautical theme. I wanted it to be more of a European castle theme.”

Koch paid careful attention to aesthetics when designing his Florida home and cellar. With a doctoral degree in chemical engineering from Massachusetts Institute of Technology, he had specific architectural ideas as well.

“I looked at a lot of designs from various people in the [United States] and found none that I liked,” he says. His search for the perfect arrangement led him to Europe, where he found inspiration. Koch began to visualize the cellar he wanted, and Austrian architect Friedrich Gruber was able to execute the plan. “I had laid out the space for the cellar, but Gruber basically drew it out on one of the plywood panels that were in the unfinished room, and that was his architectural plan. It worked beautifully.”

Gruber, 49, has built 300 cellars around the world and inclu-



des Koch’s among his favorites. “It’s really one of the best that I have done,” the architect says. “It’s my baby.”

Ninety percent of Gruber’s work involves private wine cellars. His designs can be found in Germany, Greece, Japan and Korea, as well as the V. Sattui Winery in Nappa Valley. He relies heavily on brick and gets his materials from old buildings in Vienna, where he was educated. He is notified when structures are torn down, and then he buys and cleans the bricks to use in future projects.

No expense was spared in constructing the cellar in Palm Beach. Koch imported materials and workers to help realize his vision. The brick, stone and ironwork all came from Gruber’s native Austria, as did much of the construction team, which completed the 1,300-square-foot cellar in only three months, working seven days a week for 12 hours a day. The Austrian members of the team didn’t want to drag the project out any longer than necessary.

Koch didn’t stay in Florida during construction, but he visited periodically. “I thought I could visualize it before I started, but I found that the workmanship was much better than I had envisioned. It was a wonderful experience,” he says.

Neither Koch nor Gruber would reveal the total cost of the cellar, but Gruber says that with cellars such as Koch’s, the value of the collection is generally 10 to 20 times that of the cellar price.

The cellar design features many arches, built with century-old bricks. Koch added other elements to enhance his Continental theme, such as three Roman mosaics installed in the walls.

“It gives a feeling that you are in a European cellar, which were often in the basement of the city walls,” he explains. “I wanted to have the mosaics built into the wall so it looked somewhat excavated.” In addition, wines line the side of the cellar walls, in between racks, where vertical hooks hold individual bottles.

The cellar – maintained at 55° F with 60 percent humidity – is actually a room within a room. A narrow, enclosed hallway around the perimeter of the cellar harbors all the cooling and humidifying systems, which were custom-built by Johnson Controls, a Wisconsin-based company that specializes in non-residential building services.

One of the most difficult aspects of construction was the racking. The custom-designed iron racks for 25,000 bottles were made in Florida and required a good deal of experimentation to get the sizing perfect. And then there was the matter of placement. “I wanted Burgundies on one side of the aisle, Bordeaux on the other, with white Bordeaux together, white Burgundies together,” Koch says.

Keeping inventory, though, is made easy by bar-coded bottles. A computer installed in the cellar reads the codes and removes the bottle from the catalog with the push of a button. (This system is a revised version of the program in Koch’s other cellar.) His property manager oversees the cellar operations. At this time, his Florida cellar holds 11,000 bottles with an additional 9,000 bottles in an off-site temperature-controlled storage facility.

Koch was the skipper aboard AMERICA3 and led his crew to victory in the America’s Cup, the world’s most prestigious competitive international sailing competition, in 1992. Born in Wichita, Kan., he made his fortune working for the oil company that his father founded. He walked away with about \$500 million after two of his brothers bought out his share of the company, and went on to found the Oxbow Group in 1983, of which he is owner and president. The company is one of the largest importers and exporters of petroleum coke, a solid carbon by-product of the oil-refining process, in the United States. It employs more than 1,000 people worldwide and boasts annual sales approaching \$1 billion.

When Koch is not at the office he continues to sail, though he now spends less time competing and more time with his family. He enjoys taking his 8-year-old and 5-year-old daughters and his 7-year-old son out on his boats or, in the winter, onto the ski slopes. He also has an 18-year-old son. Koch shares his Florida home with his wife, Bridget (daughter of Pittsburgh Steelers’ owner Dan Ronney), and her 8-year-old son. Koch buys many of his wines at auction, placing phone bids himself. He also acquires wine through dealers and vineyard agents. He rarely sells any of his collection, but in 1999, spurred by a seller’s market and a plethora of peaking wines that

he knew he wouldn’t be able to consume, Koch sold 3,400 of his then-28,000-bottle collection at the NYWinesChristie’s auction. Obviously, he’s since filled the empty spaces in his cellar.

Even with wine to last many lifetimes, Koch only pulls from his cellar about four or five times a month; he’ll drink an “out-standing” wine about once a month. Koch shows guests around regularly, with each cellar tour lasting about half an hour. A true collector, he would rather display than deplete.

Adjacent to the cellar is a room designed to look like the cargo hold of an old square rigger. Here, Koch displays his collection of built-to-scale models of every boat – both challengers and defenders – that’s sailed in the America’s Cup. The room above the cellar is what Koch calls his “cowboys and Indians room.” It holds his American Indian artifacts and paintings by Charles M. Russell and Frederic Remington. A New Zealand farm table, which he purchased in 2000, sits in the middle of the space, with Corinthian columns for seats.

The wine bottles in the cellar also share space with Koch’s collection of cognac, which was put together by Hennessy. He has a bottle for each year in which there was an America’s Cup (33 in all, back to 1851). “I paid a fortune,” he says, “because I got in a bidding contest with the Aga Khan over it.”



Though Koch is certainly serious about his wine collection, he had some fun in, of all places, the bathroom. He designed it with the bottles, corks and labels from all the wine he’s had in the last 10 years. The ceiling is covered in cork, and three walls are papered with labels and the faces of wooded cases, while the fourth shows the end of bottles, through which light passes.

Koch, though, has never been one to wall himself in. He made his fortune on the oil fields and his name on the oceans. But now, as he returns his ships to the harbor, his port holds for him many of the world’s greatest wines.

Ryan Isaac is a former Wine Spectator editor now living in San Diego.

