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**Cleveland Restoration Society**

**BOARD OF TRUSTEES**  
**Meeting Minutes**  
The Sarah Benedict House  
Cleveland, Ohio

Tuesday, May 20, 2014

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*All exhibits and attachments referenced herein are on file in the CRS office and are available upon request.*

**Trustees in Attendance**

Michael Baruschke  
Richard W. Cline  
Thomas Einhouse  
Anthony W. Hiti  
William J. Hubbard  
Bill Saltzman

Hannah Fritzman Belsito  
Susan T. Delaney  
Greg Frost  
Douglas R. Hoffman  
Joseph A. Marinucci

Michael E. Chesler  
Kevin Dreyfuss-Wells  
Dale K. Hilton  
Scott Holbrook  
Rosemary Reymann

**Staff in Attendance**

Kathleen H. Crowther, President  
Tom Jorgensen, Chief Operating Officer  
Michael Fleenor, Director of Preservation Services

- I. Call to Order – Joe Marinucci for Mike Cummins, Chair of the Board
  - A. Minutes of the March 18, 2014 Meeting were approved.
  - B. Report from the Nominating & Trustees Committee – One meeting last week. Fewer than two or three new trustees are needed. The Committee wants to strengthen the board relationship regarding expectations of board members. Kathleen will be drafting a document reflecting expectations and will circulate the draft to the Nominating Committee.
  - C. Annual Meeting will be July 22<sup>nd</sup> at the Sarah Benedict House, 9:00 am
- II. Action Item: Resolution to Move Forward with 2834 Courtland Boulevard
  - A. Description of Action Request – Kathleen Crowther, President  
Culmination of 6 months of work of staff and trustees.
  - B. Review of Process to Reach Action Request – Tom Jorgensen, Chief Operating Officer, provided a list of due diligence and a summary of the many discussions had with various committees. A complete rehab would cost \$4-600,000. The Preservation Committee suggested putting it into a white box scenario “ready for rehab.” Finance committee reviewed KeyBank financing, which was rejected. CRS has \$900,000 in board designated endowment funds, which can be used for financing if necessary.

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- C. Report from Executive Committee regarding Action Request – Anthony Hiti, Vice Chair explained that it was been a long and thoughtful process and Executive Committee challenged and pushed back with staff for information to make sure we were not too exposed. It was estimated that \$200,000 may be sufficient for white box stabilization depending on what happens with the foreclosure process that we cannot anticipate.

(Bill Hubbard excused himself from the remaining discussion items. The minutes for the following three discussion items are compiled by Tom Jorgenson.)

- D. Legal Strategy – Scott Holbrook, Trustee provided a summary of the Ohio statute that provides for the appointment of a non-profit corporation as the Receiver for a property that is a public nuisance and the homeowner will not correct the nuisance. He described that it is necessary to file an action in the Court of Common Pleas to declare the property a nuisance and to appoint CRS as the receiver for the property. The City of Shaker Heights has said that it will support our action. He explained that all the existing lien holders are necessary parties to the suit and can oppose our motion and, if they would like, can apply to be named as the Receiver for the property.

Mr. Holbrook explained that any amount expended by CRS as Receiver for the property would become the first lien on the property, ahead of all others including the mortgage lien held by Nationstar Mortgage LLC and any liens for taxes. In addition, our fee for serving as Receiver will similarly become the first lien on the property.

Mr. Holbrook also explained that we expect to have one of the liens assigned to us. We will also file an action to foreclose on that lien. He said that Shaker Heights also has a lien for services paid by Shaker Heights relating to the property and will join us in the foreclosure action. He explained that the combination of the receivership action and the foreclosure action will provide us with the first claim on the proceeds of the sale of the property and extinguish all other liens.

- E. Stabilization Approach – Michael Fleenor, Director of Preservation Services described the “white box” approach which is to make the property “rehab ready.” CRS would therefore make most of the external repairs necessary to fix all the items cited by Shaker Heights. CRS would also make all internal repairs necessary to abate any environmental issues, to fix the staircases, and to install basic plumbing and heating systems. He also mentioned that CRS might demolish an interior wall on the first floor to convert the kitchen from a small unattractive space into a large family multi-purpose room.

Michael Chesler suggested that, instead of installing the plumbing and heating systems, CRS install temporary systems. By doing so, CRS is allowing the purchaser of the property to determine the floor plan he or she desires and install the plumbing and heating systems to fit the desired floor plan. That way, the purchaser will not have to take out systems put in by CRS.

- F. Discussion & Vote – Joe Marinucci, Immediate Past Chair of the Board asked the Board for their comments and suggestions on the proposed receivership and foreclosure actions. All the comments of the Board were in favor of proceeding with the actions. Generally, the Board

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supported the “rehab ready” approach to stabilizing the property with the modification suggested by Mr. Chesler of putting in temporary plumbing and heating systems.

Jonathan Sandvick suggested that a volunteer architect from the Board could prepare several drawings of how the property could be reconfigured to show to prospective homebuyers.

After full discussion, the following resolutions were moved, seconded and unanimously approved with Bill Hubbard absent and not participating in the discussion and vote:

**Whereas:** 2834 Courtland Blvd. is one of the demonstration homes built by the Van Sweringen Company to promote the development of Shaker Heights and was designed by the pre-eminent architectural firm of Howell and Thomas; and

**Whereas:** 2834 Courtland Blvd. has been badly abused by its current owner and is a strong candidate for receivership; and

**Whereas:** Such a receivership is strongly supported by the City of Shaker Heights; and

**Whereas:** The Executive Committee has recommended that the Board approve the following resolutions;

**Now Therefore Be It Resolved:** that this Board of Trustees of Cleveland Restoration Society hereby approves the filing of an action to abate a nuisance at 2834 Courtland Blvd., Shaker Heights, OH (the “Property”) and to seek CRS’s appointment as receiver for the Property under Ohio Revised Code section 3767.41 so that CRS can stabilize the Property, subject to the following:

1. CRS has received an opinion from outside counsel that (i) if CRS is appointed as receiver for the Property under Ohio Revised Code section 3767.41 (following any appeals), then approved expenditures in connection with abating the nuisance at the Property shall, when recorded, constitute a first lien on the Property superior to all prior liens, and (ii) in a foreclosure action filed by the holder of a lien on the Property, a court of competent jurisdiction will have the power to marshal all preexisting liens and mortgages held by parties named in the foreclosure action on the Property and direct the sale of the Property to an ultimate purchaser free and clear of those liens and mortgages.
2. CRS will finance the stabilization of the house through use of its Board designated endowment funds up to \$200,000 of such funds (currently there is over \$900,000 of such Board designated funds).
3. CRS will take appropriate steps to secure any disbursements for the stabilization of the Property by an appropriate mortgage or priming lien in accordance with Section 3767.41 of the Revised Code, and if necessary will commence a separate action during or following the completion of the stabilization to foreclose on the mortgage or priming lien so recorded.

**Resolved Further:** That the stabilization of the Courtland Blvd. property be done by CRS using a general contractor under an agreement approved by the Executive Committee.

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(At this time, Bill Hubbard rejoined the meeting.)

- III. New Project Concept & Challenge – Mike Baruschke, Trustee, explained a program for digitizing the Society's slides. CRS will consider purchasing a scanner in conjunction with the Cleveland Photograph Society. CRS could have its collection of photographs at CSU, Cleveland Memory. No decisions to be made at this time.
- IV. Advocacy Report - Kathleen Crowther & Michael Fleenor provided an update on the status of Fifth Church Christ Scientist, West 117 Street and Lake Avenue. The building has been empty for 20 years. There has been a lot of publicity to save the building, but at this point the neighborhood's primary opinion was to move on. In the end, the development is not a bad result. The portico will stay in the same location. CRS is requesting that the City require certain mitigation before a demolition permit is granted. No requirement for board action.
- V. Heritage Home Program Report - Tim Jorgensen reported that the program is up to 41 participating cities. A well-funded partner, Lucas County Land Bank, wants to license the program. Their mission is to reutilize some of the properties that are donated to them. We have a memorandum agreement and hope to go live July 1<sup>st</sup>.
- VI. Upcoming Events
  - A. Legacy Cities conference, June 5-7, Registration \$175
  - B. Beer & Brats @ the Benedict, Friday, June 6<sup>th</sup>, \$50 (Included if registered for conference)
  - C. For Love of the Lillies, Garden Party at the Druckenbrod Home, Saturday, July 12, \$75 (to encourage new members)
  - D. Benefit Party at *The 9*, Saturday, October 11<sup>th</sup> @ the old Ameritrust/Breuer Tower; rotunda on view.
- VII. Other Business
  - Support for Sacred Landmarks – partnering with an organization from Philadelphia and the possibility of using their programing and being a center for Legacy Cities.
- VIII. Adjournment

Minutes respectfully submitted in part by Bill Hubbard, Board Secretary, and in part by Tom Jorgenson, COO.