

OUR CENTURY

1991

AT A GLANCE

Recession lets city off easy

Could Cleveland survive another recession? The devastating downturn of the early 1980s had put many of its largest manufacturers out of business. The survivors had desperately “downsized” in an effort to compete with the world.

Now the nation was six months into a new recession. Blue-collar workers, to their relief, got off relatively lightly. It was the white-collar workers who were lining up at the unemployment office. Middle managers with 20 years at a company found themselves out of a job and unable to find a new one. A college education no longer guaranteed job offers.

The Council for Economic Opportunities in Greater Cleveland reported that poverty rates, measured by food stamp applications, were in double digits in Lakewood, Cleveland Heights and Bedford Heights. Shaker Heights, long a symbol of wealth, had a poverty rate of 8.3 percent.

Factories kept working, but Ameritrust didn’t. The bank that, as Cleveland Trust, had dominated Cleveland’s economy for most of the century was taken over by Society National Bank.

Yet for the first time in the century, economic woes afflicted the Midwest less than the rest of the country. California and Massachusetts, which had boomed in the “bicoastal economy” of the ’80s, had among the highest unemployment rates. So did Texas, where 10 years earlier bumper stickers read, “Let the Yankees Freeze.”

As the year ended, David Bowers, a Case Western Reserve University economist, noted that local manufacturing employment was down only 2.7 percent, compared with a 27 percent drop in the early ’80s. Nationwide, manufacturing was down 4.3 percent. In construction and retail sales, Cleveland was also doing better than most parts of the country. “Be glad you’re in Cleveland,” Bowers advised. “Be glad it’s 1991 and not 1981.”

Thirty current and former police officers found themselves on the wrong side of raids on May 30. They were among 47 people arrested to break up a gambling and drug operation.

The charges included accepting more than \$60,000 in payoffs to protect four gambling operations. Some police officers also were accused of selling stolen property and drugs that had been seized as evidence.

It was another black eye for the department, which was still seeking to recover \$452,000 missing from the Arthur Feckner scandal of 1985. Five narcotics detectives were tried but acquitted in that case.

This time, at least, Cleveland police had started the nine-month investigation and called in the FBI to finish it. “In my opinion, the minute they violated their oath as police officers, they were no longer police officers and no longer entitled to wear those uniforms,” Chief Edward Kovacic declared.

George Forbes, lawyer for several of the defendants, maintained that his clients had been illegally entrapped. But when the last case was wrapped up, 27 police officers and 18 others had been convicted.

Sure that they had the next Larry Bird, the Cavaliers signed Danny Ferry to a stunning 10-year, \$34 million contract. They balked at paying John “Hot Rod” Williams \$11.8 million over five years. So Williams signed a Miami Heat offer sheet for an unheard-of \$26.5 million over seven years. The Cavs matched it rather than lose him.

Once more, the team was hobbled by injuries. Williams missed 37 games and Mark Price missed four-fifths of the season. The Cavs finished 33-49, out of the playoffs and, with the salary cap, out of the market for high-priced rookies and free agents.

After a strong finish in 1990, the Indians figured to be contenders. Instead, they set a franchise record by losing 105 games, though their winning percentage of .352 wasn’t as bad as their .333 in the 151-game season of 1914.

They improved slightly after coach Mike Hargrove replaced Manager John McNamara in July. They had promising youngsters in surly outfielder Albert Belle, who hit 28 home runs, and Charles Nagy, who led the pitching staff with a 10-15 record.

At 37, Bill Belichick was the youngest Browns head coach since Paul Brown. Liking him to Don Shula, who started his coaching career at 33, owner Art Modell gave him a five-year contract and promised Belichick would be the last coach he would ever hire.

Belichick managed to win six games, twice the number of the pitiful 1990 team. Modell was convinced he had the man to lead the Browns back to glory.

Richard Celeste’s last major act as governor was to commute the sentences of seven prisoners on death row to life in prison. They included Leonard Jenkins and Willie Lee Jester, both convicted of the murder of Cleveland policemen.

Police and prosecutors protested. The new governor, George Voinovich, and the new attorney general, Lee Fisher, sued. The Ohio Supreme Court eventually ruled that Celeste had acted legally.

Sohio had commissioned a Claes Oldenburg sculpture for its new headquarters, but decided the 28-foot-tall “Free Stamp” was unsuitable for its Public Square site. When British Petroleum took over Sohio, it offered the work to the city.

After holding the legislation for five months, City Council grudgingly agreed to place “Free Stamp” in Willard Park, right under the windows of the council chamber. Members grumbled that the placement suggested they had become a rubber stamp for developers.

By Fred McGunagle

Mayor Michael R. White’s triumphs were collapsing around him.

Gateway couldn’t afford his 1990 promises to Cuyahoga County voters. The city couldn’t pay for his 1989 promises to Cleveland voters.

To top off his troubles, he was in danger of being indicted on a charge that could cost him his office and his freedom.

New estimates showed that the Gateway “sin tax” on alcohol and tobacco would bring in only \$108 million, not the \$152 million predicted during the bond issue campaign.

In an episode worthy of “The Perils of Pauline,” the Gateway board and Director Thomas Chema scrambled to meet planning and financing deadlines, only to find more looming. Rumors that Cleveland couldn’t complete its baseball stadium brought other cities circling the Indians like vultures.

Meanwhile, White’s \$325 million city budget fell far short of needs. He laid off 100 workers. With crack-related crime spreading across the city, White was unable to keep his campaign promise to hire 250 police officers. Instead, the force had dropped by more than 100, to its lowest level since 1984.

White pushed through increases in water and parking rates and got Cleveland Public Power to transfer \$4 million to the city. He still was forced to lay off another 25 officers.

A Cleveland State University study found that home-buyers were shunning the city because of poor safety and schools. A former Old Brooklyn resident told why he left: “What is left of the playgrounds and pools is taken over by pot-smoking big kids, used condoms and garbage.”

A former West Park resident said, “In the last five years I lived in Cleveland, my house was burglarized, my vehicle was stolen, my secondary vehicle was stolen and my wife was mugged.”

Meanwhile, a grand jury was investigating a 1982 business deal involving White, then a councilman, and Mary Forbes, whose husband, George, was then City Council president.

Records showed White had invested \$50,000 and Mary Forbes a similar amount in the purchase of two closed elementary schools for remodeling into apartments subsidized by the Cuyahoga Metropolitan Housing Authority.

Mary Forbes took the Fifth Amendment. White testified for more than five hours before the grand jury. The city held its breath.

When the indictments finally came, they named developer Walter Burks, two of his corporations and three of his associates — but not White or Forbes. The city breathed a sigh of relief.

Later, it came out that the jury had voted 6-3 to indict White and Forbes; seven votes were needed. At Burks’ trial, White admitted that he hadn’t put up any money at all, though he testified he did put in 1,200 hours of work on the project. The two corporations were convicted and fined, but



Danny Ferry joined the Cavaliers and a controversial sculpture arrived in 1991. Both astonished Clevelanders: Ferry with his 10-year, \$34 million contract, and Free Stamp with its imprint on the downtown landscape.

From triumph to trouble



PLAIN DEALER FILE PHOTOS

Michael White holds a press conference after the grand jury did not return an indictment in an investigation of a 1982 business deal. Mary Forbes, wife of City Council President George Forbes, also was investigated but not indicted. Developer Walter Burks was indicted.

Burks and his associates were acquitted.

Meanwhile, Gateway was coming down to a key financing deadline. It needed signed contracts from the Indians and the Cavaliers by June 30 or the project would collapse. Underwriters settled for a financing agreement with the Cavs with a contract to be worked out by Sept. 30.

The Indians and Gateway failed to agree by June 30, but they kept negotiating. Four days later, they held a news conference at One Cleveland Center to announce an agreement. A half-mile away on Public Square, the Cleveland Orchestra struck up “The Stars and Stripes Forever” and thousands cheered. The crowd didn’t know about the deal — the concert had been scheduled in advance as part of Fourth of July festivities — but its ebullience mirrored the mood of the negotiators. Gateway officials, White and County Commissioner Tim Hagan praised one another extravagantly.

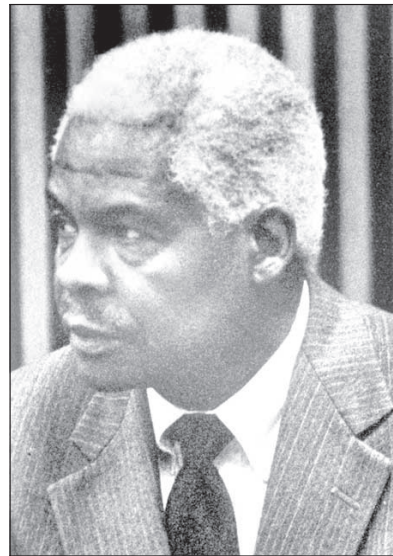
But the project remained short of funds. White had promised that \$36 million to \$51 million of the bond funds would be used for economic development downtown, but outside Gateway. That money was thrown into the construction pot instead.

Five days before the Gateway vote, White had written in The Plain Dealer: “Under no circumstances will the financial commitment of the citizens be greater than half of what’s necessary to finance the project.” Now the state chipped in more money and the county agreed to guarantee the bonds, meaning county taxpayers would be responsible for any shortfall.

White had also written that the project would provide \$33 million in real estate taxes for the schools, the city, the Cleveland Library, the Metroparks and Cuyahoga Community College. Now, officials asked the state to abate the taxes. The legislature agreed to a \$550,000-a-year “cap” on taxes.



Mary Forbes.



Walter Burks

Gateway financing was no sooner resolved than the Rock and Roll Hall of Fame deal threatened to collapse. The school board, angry about city abatement of school taxes, balked at the tax increment financing plan that would divert \$18 million in taxes to the Rock Hall.

Council agreed to give the schools the 6 percent admission tax from the Rock Hall, but the critics weren’t satisfied. The school board threatened to sue, forcing further delays and prompting a threat from the Rock Hall’s board to pull the project from Cleveland. Council gave in, voting to have the city bear the cost of tax increment financing.

White had been critical of the school board since his campaign for mayor, and after the fight over Rock Hall financing, he put together a slate of school board candidates — the Rev. Leon Lawrence, Larry Lumpkin, James Lumsden and Susan Leonard. He campaigned for the “Four L’s.” across the city.

“These people on the school board

who destroy children’s lives are bums,” he said. “Throw the bums out.”

A Plain Dealer analysis declared: “Nearly at the midway point in his first term in office, the 40-year-old mayor will test his name and his influence in the school board election.”

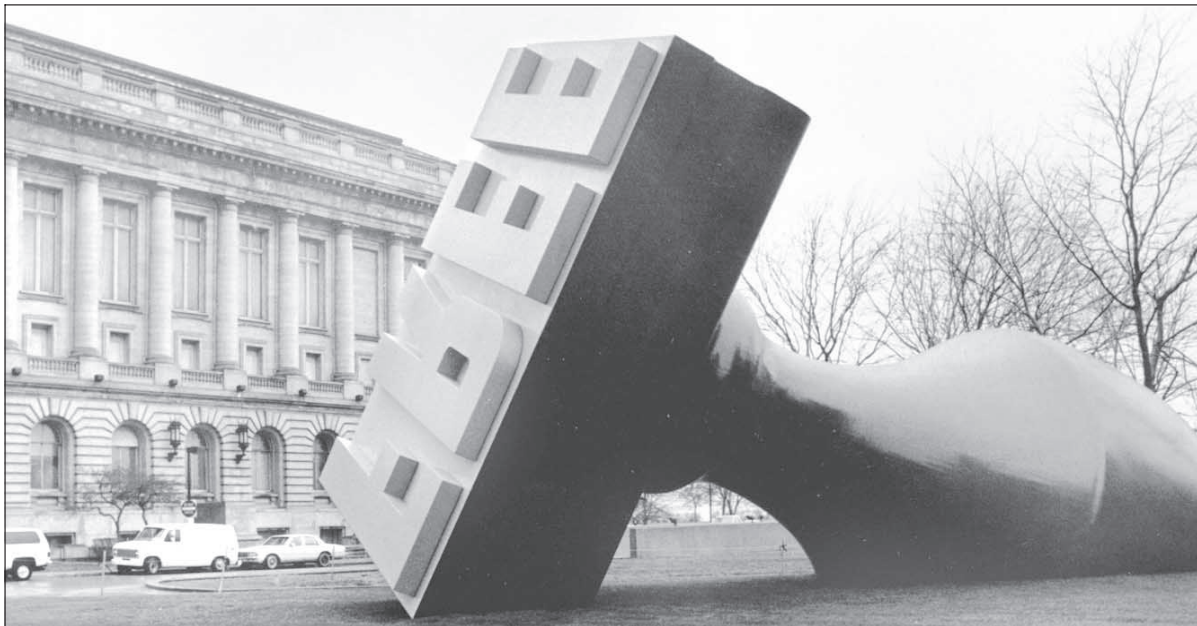
The 4 L’s swept the available seats and let it be known they would replace Superintendent Frank Huml with someone of their own choosing.

As the year ended, the Cavaliers signed a lease with Gateway, though all the terms wouldn’t become known until later. Clevelanders still grumbled about city services, but for the third year in a row Michael White was riding the crest.

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LOOKING AT A YEAR

Jan. 8: Pan American World Airways files for bankruptcy. Ten days later, Eastern Airlines, already in bankruptcy, ceases operations.

Jan. 15: The Persian Gulf War, code-named Operation Desert Storm, begins with United Nations and United States troops launching a massive air strike against Iraq and Iraqi

troops in Kuwait.

Feb. 24: The ground war against Iraq begins. It ends three days later as Iraqi forces are routed.

March 11: Walter Annenberg gives his art collection, valued at \$1 billion, to the Metropolitan Museum of Art in New York.

June 27: Thurgood Marshall re-

signs from the Supreme Court.

July 31: President George Bush and Soviet leader Mikhail Gorbachev sign a nuclear arms reduction treaty.

Oct. 15: Clarence Thomas is narrowly confirmed by the Senate to replace Thurgood Marshall.

Nov. 7: Earvin “Magic” Johnson retires from basketball, revealing that

he is infected with the virus that causes AIDS.

Deaths: Former Browns head coach Paul Brown, Nazi collaborator Klaus Barbie, serial killer Richard Speck, jazz trumpeter Miles Davis, film director Frank Capra, actress Peggy Ashcroft, actors Redd Foxx, Fred MacMurray, Ralph Bellamy.