

Richmond Attorney Aids in Renovating Historic School with a Special Mission

For more than 100 years, St. Andrew's School in Richmond's Oregon Hill neighborhood has offered tuition-free education for children in grades K–5. It has provided a balanced academic, social and spiritual experience. National test score averages consistently exceed the 70th percentile.

By the 1990s, electrical, mechanical and lighting systems were outdated. No sprinkler system existed. Plaster was crumbling. Windows, mortar joints, gutters and slate roofing were badly deteriorated, and a century of city grime hid the once beautiful facade.

It became clear that the resources of the St. Andrew's Association, which provides building management and school operating support, could not fund the necessary building restoration. Although a successful capital campaign was undertaken—and \$1.3 million was provided by private individuals and local, state and national foundations—more money was needed.

The remaining funds were raised through an ingenious plan that made use of state and federal historic tax credits. With the extensive assistance of Kurt R. Magette, a lawyer specializing in tax, real estate and corporate matters, a limited liability corporation (L.L.C.) was formed. Investors joined forces to acquire the benefits of the state and federal tax credits and contributed the additional \$500,000+ needed to secure the project.

"It was a miracle that we were able to raise the \$1.3 million, but this was not enough to complete the project," said Jane H. Walker, St. Andrew's assistant head for external affairs. "I was discussing this problem with my friend Marie Carter at LeClair Ryan when she suggested Kurt, who was with LeClair Ryan at the time. He volunteered his legal services, and we went from there."

Magette's initial work in the St. Andrew's project involved finding and securing a state investor. After that goal was attained, Magette suggested going for federal credit. Two-thirds of his volunteered time (about 250 hours) was spent in structuring and obtaining the federal credit. Because St. Andrew's is a tax-exempt organization, legal issues in structuring the credit were difficult.



St. Andrew's School in Richmond's Oregon Hill neighborhood

Nevertheless, two large corporations did buy the tax credits: one invested in the state credit, and one invested in the federal credit—a reflection of what a great project this was, said Magette, who secured the investors, drafted the complex documents, and coordinated the admission of investors to use the federal and Virginia income tax credit.



Kurt R. Magette

Magette claims that his involvement in securing the remaining funds needed for the St. Andrew's restoration project was only a discrete part in the overall mission of the school, which is to educate children of limited resources. "There are outstanding people who will be working for St. Andrew's School for less compensation than they would receive working elsewhere," he said.

"When Janie Walker and the other exceptional folks at St. Andrew's introduced me to the school, I was awestruck at what a great school community we had in our midst," Magette said.

School board chair, Henrico Circuit Court Judge Catherine C. Hammond agrees. "Our many volunteers, including several Richmond attorneys, make St. Andrew's thrive. The school building is an historic treasure, and it shelters a special learning environment."

Grace Arents, who founded St. Andrew's in 1894, said that architecture has the power to elevate the soul. Thanks to the combined efforts of all involved in the restoration project, the school is, as Magette says, "the beacon at the top of Oregon Hill." ☺

If you sit on a board of directors for an organization and would like more information on state and federal tax credits, you may contact the Richmond Bar Foundation Pro Bono Clearinghouse, bmarron@cantorarkema.com.

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What's a tax credit, anyway?

For many years, federal income tax law has provided a credit against income taxes to encourage the repair and rehabilitation of historic structures. This credit indirectly subsidizes the rehabilitation of historic structures through allowing a credit equal to 20% (currently) of the qualified cost of rehabilitation. This credit program has made many rehabilitation projects feasible that would otherwise be uneconomic and, thus, prevented the destruction of many historic structures.

Beginning in 1997, Virginia enacted a parallel subsidy for Virginia rehabilitation projects. Although the Virginia program is similar, it has much more flexibility, including increasing the types of taxpayers that qualify to use the credit. The credit is applied against Virginia income taxes and is equal to 25% (currently) of the qualified cost of rehabilitation.

Although, on the surface, one might surmise that the U.S. and Virginia credits would provide subsidies of 45% of the cost of the rehabilitation, it is far more complicated. Structuring these transactions in order to use the credits efficiently within a myriad of rules is a difficult job. Furthermore, the investor who can use the federal credit is often not the same as the investor who can use the Virginia credit.

— Kurt Magette

Mary Bauer Presented Legal Aid Award



Charlottesville attorney Mary Catherine Bauer, legal director of the Virginia Justice Center for Farm and Immigrant Workers, was presented with the 2001 Virginia Legal Aid Award on Friday, June 15, at the legal aid luncheon at the VSB annual meeting in Virginia Beach. The award is given to a legal aid attorney in Virginia whose “work has an impact beyond the attorney’s own service area, and who demonstrates innovation in advocacy on behalf of low-income clients as well as experience and excellence in service.”

Bauer is one of a limited number of remaining U.S. attorneys working on migrant issues. For the last 11 years, she has worked in three different legal services organizations where she has been tireless and dedicated in her representation of low-income seafood industry, farm and other workers in civil, employment, immigration and civil rights cases.

In 1990, Bauer received a Skadden fellowship for her work with farm and migrant workers. In 1996, she was hired as the legal director of the ACLU, and in 1998 she became the legal director of the Virginia Justice Center.

Bauer is recognized for developing a migrant and immigrant worker program that is one of the most highly respected in the country. She earned her law degree from the University of Virginia. ☺

LSC Announces Service Areas for 2002 Legal Aid Grants

Legal Services Corporation announced the service areas in 26 states and the District of Columbia eligible for FY2002 grant awards for the provision of legal services to low-income Americans.

LSC has made significant changes in the service areas of 14 states for FY02 bidding: Arkansas, Illinois, Kentucky, Louisiana, Michigan, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

Virginia’s seven service areas will be reconfigured to six. The areas served by Legal Services of Northern Virginia in Falls Church and Rappahannock Legal Services in Fredericksburg will be consolidated into one. ☺

Family Legal Assistance Project in Fairfax

The Family Legal Assistance Project of the Fairfax Bar Pro Bono Program is designed to address legal needs for indigent and low-income clients. Those without sufficient financial means with serious family law issues—such as child custody, visitation, support and contested divorces—frequently are unable to obtain legal services.

The project is looking for volunteer attorneys and law firms to help these clients. Volunteers can specify the amount and type of work they desire. For more information, contact Arlene Beckerman at (703) 246-3779 or abeckerman@fairfaxbar.org. ☺

Highlights from the 11th Anniversary VSB Pro Bono Conference

May 17–18, 2001



This year marked the 11th anniversary of the VSB Pro Bono Conference, a two-day seminar and award ceremony held at the University of Richmond's T.C. Williams School of Law. Attorneys and pro bono coordinators attended seminars about ethical considerations in public interest and legal services work, and poverty law. This year's conference featured general ethics, De Bene Esse hearings in civil and criminal cases, restorative justice, pro bono opportunities for in-house counsel, transactional and government attorneys, basic court services for the guardian ad litem and post divorce litigation in high conflict families. The Lewis F. Powell, Jr., Pro Bono Award, honoring The Community Tax Law Project (CTLP) and the Virginia Beach Bar Association, was presented.



1: The Virginia Beach Bar Association and the Honorable Ronald H. Marks (then Chief Judge) worked with the local Friends of the Juvenile Court to found the Concerned Lawyers Advocating Spousal Safety (CLASS) program in 1994. Bar association members volunteer to represent victims of domestic violence in protective order hearings. Pictured here (left to right) are the Honorable Ronald H. Marks (who received "special recognition"); Judith L. Rosenblatt, past president and co-founder of the CLASS program, Thomas B. Kelly, president of the Virginia Beach Bar Association; and VSB President Joseph A. Condo.



2: Presenting a CLE on court resources for guardians ad litem are (left to right): Linda M. Berry, assistant public defender in the Richmond J&DR district court; D. Kate O'Leary, a city attorney for Richmond; Sharon S. England, a Richmond attorney in private practice and guardian ad litem; and Janet D. Brown, a former legal services attorney in private practice who also does GAL work.

4: Receiving "special recognition" for her work in behalf of The Community Tax Law Project is Nina E. Olson, who was this year named National Taxpayer Advocate of the Internal Revenue Service. She is the founder of the CTLP, the first independent 501 (c)(3) low-income taxpayer clinic in the U.S. With the assistance of volunteer attorneys, accountants, enrolled agents and in-house legal staff, CTLP provides low-income Virginia taxpayers with pro bono legal representation in federal, state and local tax disputes. It also educates low-income individuals about their rights and responsibilities as U.S. taxpayers.

3: Socializing outside the T.C. Williams School of Law at the University of Richmond prior to the Pro Bono Award Ceremony are (clockwise) Barbara A. Ziony of Southside Virginia Legal Services in Petersburg; Alex R. Gulotta, Access Committee member and executive director of the Charlottesville-Albemarle Legal Aid Society, Henry W. McLaughlin, executive director of Central Virginia Legal Aid Society in Richmond; prior Powell Award recipient John C. Kenny of the Richmond firm of Christian & Barton, L.L.P.; Edward M. Wayland, a Charlottesville attorney; and Professor Florence Wagman Roisman of the Indiana University School of Law, the keynote speaker for the ceremony.

5: The Pro Bono Conference provides an opportunity for advocates to catch up with and gain ideas from each other. Here Edward V. O'Connor, Jr., a Fairfax attorney serving as the chair of the conference planning subcommittee (who took part in three CLEs), visits with Charles K. Greenfield, executive director of Legal Services of Northern Virginia.

6: This year's general ethics session, moderated by Glenn Lewis, chair of the Access Committee, covered ABA Ethics 2000, MDP and LSC Restrictions. Speaking about federal restrictions and MDP regulation are Marilyn C. Goss, senior managing attorney at Central Virginia Legal Aid Society and Professor Stacy Bruston of the Columbus School of Law at the Catholic University of America.