

Historic Tax Credits Restore Courthouse, Museum in Rural Texas County

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

Court will once again be in session at the Harrison County Historic Courthouse in Marshall, Texas. The historic tax credit (HTC), a state-wide courthouse preservation program and community fundraising efforts will return the Harrison County Historical Museum (HCHM) to its former home and reopen a fully-restored early 20th century courtroom.

Harrison County, a rural county near the Louisiana border, used the James Riely Gordon-designed 1901 Beaux-Arts style courthouse until 1964. In 1964, the county courts moved into their current building and the HCHM moved into the vacated space. In 2000, in anticipation of renovations planned at that time, the museum moved out of the courthouse and to its present location in a historic hotel.

During the more than 60 years that the building served as a courthouse, it underwent numerous changes. The county added a new section to the building in 1926, closed off outdoor areas and divided a large two-story courtroom into smaller rooms. In 2002 and 2003, the Texas Historical Commission awarded grants to Harrison County through its Texas Historic Courthouse Preservation Program (THCPP). The planning and emergency grants helped fund renovations to the exterior.

Late last year, Harrison County used a \$2.5 million THCPP construction grant, nearly \$10 million in donations and \$2.2 million in HTC equity, placed by Kasper Mortgage Capital LLC (KMC), to complete a \$14 million restoration of the building.

"The historic credits are often the source that gets you across the goal line," said Thomas Kasper, KMC's president. "The historic credit is a great finisher with the other financing largely in place."



Photo Courtesy: thesummitstudio.com

The Harrison County Historic Courthouse in Marshall, Texas underwent a \$14 million renovation last year.

The HTC equity and the THCPP construction grant helped Harrison County completely renovate the National Register of Historic Places-listed building. The THCPP has provided funding since 1999 for courthouse restorations throughout Texas.

Stan Graves, THCPP's director said that the grants have been absolutely essential for rural counties like Harrison. "Most counties have not been able to find the resources locally to fully maintain and restore [their courthouses]," he said.

In Marshall, the exterior renovations included opening enclosed porches, rehabilitating windows and doors, and cleaning and restoring the exterior brick and limestone. Interior renovations included upgrading the electrical wiring and other building systems, restoring a cast iron stairway, repainting, and restoring other decorative elements. The county also returned to its historic appearance the two-story courtroom that had been divided into two one-story rooms.

continued on page 63

HTC Restores Courthouse

continued from page 61

"It brought back one of the old courtrooms to a pristine look," said Brian Wishneff, president of Brian Wishneff & Associates. Wishneff assisted Harrison County in submitting its HTC application to the National Park Service and structuring the HTC transaction. He called the renovations a first-class job in terms of quality and standards.

To qualify for HTCs, Harrison County had to meet the 50 percent test, meaning that Harrison County had to show that it would be using less than 50 percent of the building. Kasper said that finding additional tenants for the space is the only way that not-for-profits can use the HTC. Using a master lease structure, Harrison County entered into five-year lease agreement with the federal district court and HCHM. The federal courts and HCHM each will use 35 percent of the space and Harrison County will use the remaining 30 percent.

County and federal judges will hear cases in the renovated courtroom. The HCHM, which averaged about 18,000 visitors annually when it last occupied space in the courthouse, will feature four exhibit areas. Exhibits include a three-room chronological display that ranges from prehistoric times to the late 1980s. The exhibits will highlight the Louisiana Purchase, the 1840s Regulator-Moderator War, Civil War, Reconstruction and the Great Depression. There will also be a room featuring notable people of Harrison County. Harrison County's notable residents to date include Lady Bird Johnson, Bill Moyers and George Foreman. There will also be a display on the



Photo Courtesy: thesummitstudio.com

Harrison County's interior renovations included the restoration of a historic two-story courtroom.

previous Harrison County courthouses.

"That's our home ... the perfect place to display the history of Harrison County is in the courthouse because a lot of things happened around the courthouse and courthouse itself is an artifact," said Gwen Warren, HCHM's collections manager.

The county rededicated the building last June and KMC, Wishneff and Harrison County closed the HTC transaction in December. The HCHM will reopen this fall. ❖