

Bargain Sale - Good for Me, Good for Cate

Carlos Lindros, Cate School Neighbor

In 1982, my wife Jo and I purchased what was then known as the "Hales Ranch" on Lillingston Canyon in Carpinteria. Established in the 1870s just across the street from the Mesa that would become Cate School, the Hales property was one of the earliest agricultural holdings recorded in Santa Barbara County. It is listed on page 92 of the County's first map book along with the Mission, the old Pueblo, and, of course, Cate!

Occupied by three generations of Hales, the ranch was originally a lima bean farm, then an apricot orchard, and when those trees stopped producing, a walnut orchard. By the time Jo and I acquired the ranch it was a very productive avocado operation, with sixteen acres of orchards surrounding a modest farmhouse of single wall construction and a small gatekeeper's cottage.

I have always enjoyed working with the land, and I appreciate the history old farms bring to their communities. When Jo and I renovated the main house in the early 1980s, we found newspapers in the walls dating back to 1898. As we brought the house up to modern code and comfort level, we were careful to preserve as much of the original character of the place as possible.

We enjoyed living on the ranch, and being neighbors to Cate School, for eighteen years. In 1999 a temporary health crisis reminded us that I was not immortal, and that I might not always be up to the challenges of living on and running a working avocado ranch. Jo convinced me that the time was right for a lifestyle change so we decided to sell the ranch and move to downtown Santa Barbara.

As we planned our sale, we first thought of Cate School as a possible buyer. We knew that our property, which curls right around the base of the Cate Mesa, would be a very valuable acquisition for the school, both as a "buffer zone" and as a potential site for faculty housing.

Needless to say, we had enjoyed a great deal of appreciation in the property and knew that our tax bill could be huge. One solution that would both reduce taxes and help Cate, as future growth was a gift vehicle known as a "bargain sale". This is the sale of a property to a qualified charitable organization for less than its fair market value. Like so many planned gifts, this can be a win for both the donor and the organization receiving the gift. The seller/donor (in this case Jo and I) gets to support a worthy cause (Cate) and at the same time receive a charitable income tax deduction on the difference between the sale price and the property's fair market value.

The school, of course, was able to acquire a very desirable piece of property at an affordable price. In the years since, our former property has provided housing for two Cate faculty families, who value and preserve the traditions of the ranch just as we did. The avocado orchards continue to produce a profit for Cate, and (as everyone knows!) property appreciation has continued to set record paces. Jo and I are very pleased that Cate continues to benefit, and always will benefit from, a gift we were happy to give, and one which also improved our own financial picture.

Carl Lindros
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