

Paradise Post

News From Ojochal, Costa Rica
and Beyond

October 2009

Updates from the Osa

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There have been quite a few developments over the past few months. The new immigration laws that were causing speculation and anxiety have been put in place. All in all not a whole lot changed and some aspects of the law have been improved.

Rhonda Bulkley continues to work tirelessly with the girls' orphanage in San Isidro. She's recently been joined by Jan Dwire. If you'd like to help and/or receive their newsletter please contact me.

The 2010 Presidential elections, to be held in February, just kicked off with Laura Chinchilla, candidate for the Partido Liberación Nacional (PLN), as the front runner.

Scientists have discovered 2



new species in Costa Rica; a new frog that changes colors with gender and age and they've also discovered a vegetarian spider, the only one in the species [he's my kind of arachnid but it's a drag at neighborhood barbecues]. And lastly, for those of you who've enjoyed the adventure of driving through the Tortuga River getting up into the developments you'll be disappointed to know the new bridge is nearly complete.

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Costa Rica Ranks 2nd place for Foreign Investment in Central America and the Caribbean

According to Foreign Direct Investment Magazine, www.fdimagazine.com, Costa Rica is the 2nd most attractive country in the area for foreign investors. Puerto Rico marginally placed first and Costa Rica was followed by the Dominican Republic.

A panel of judges graded 31 Central American and Caribbean destinations on a scale of 1-10 and Costa Rica ranked in the top 5 in the areas of economic potential, quality of life, business friendliness, human resources and FDI strategy.

According to FDI Magazine, two programs, known as FDI Markets and FDI Benchmark, were used to generate scores for the rankings. FDI Markets is a database that tracks foreign direct investment on a real-time basis while FDI Benchmark is a database that ranks global locations on how appealing they

are to foreign investors.

Costa Rica's Rankings: Economic potential-3, Business friendliness-4, Quality of life-5, Human Resources-1, FDI strategy-2, Infrastructure-6, Cost effectiveness-not in the top 10.

FDI Magazine is firmly established as the world's premier publication for the business of globalization. Produced by the renowned Financial Times (FT) group and published on a bi-monthly basis with an ABC-certified circulation of over 15,000, FDI provides corporate decision-makers with an up-to-date image of the ever-changing global investment map.

To view the full report click here: <http://www.fdimagazine.com/cp/23/Carib%20and%20Central%20Am%20Rankings.pdf>



The New Immigration Laws and Tax

It's official, the new immigration laws will go into effect March 1st, 2010. The laws did not place any limits on the number of consecutive Tourist visas a person can be issued. Perpetual tourists live in Costa Rica and leave the country every three months for 3 days which is a legal loophole in the system which may close eventually. The laws do allow for an improved, centralized and modernized immigration process to enforce compliance.

The laws state that persons who overstay their visa will be fined \$100 for each month they've been illegally in the country and will be barred from entering Costa Rica for a period of time equal to the time they've been in the country illegally. North American tourists will be allowed to extend their 90 day stay for an additional 90 days with a payment of \$100. Currently snowbirds who are only in the country for 5 or 6 months a year have to cross the border midway through their stay to remain legal. Visitors will be able to seek residency without leaving

the country as is required now. The law also requires foreigners living in the country to join the CAJA (the national social security and healthcare insurance system).

The law specifically states that pensionados (retirees) and rentistas (residents before retirement) have the right to work and earn money on their own behalf provided they do so legally.

Most importantly, the law fixes income requirements for a pensionado at \$1000 a month and \$2500 a month for rentistas. This amount covers spouses and other close dependents.

Another clause of particular interest is that foreigners who own homes may be eligible for temporary residency. Non residents who own more than 200k in property, shares, stock or in projects of national interest can apply for temporary residency as an investor allowing them to take advantage of, among other things, Costa Rica's public health care system. The temporary residency lasts for one year and is

renewable. After 5 years, residency can be renewed every 2 years.

Costa Rica also now has a luxury tax on homes (excluding land according to many resources) valued at more than 100 million colones (currently amounting to around 175k). Foreigners and Costa Rican citizens are both responsible for paying this new tax. The tax is on declared value of the home, however there has been talk of the country sending out assessors in the future to validate declared values. The tax will be between 0.25% and will max out at 0.55% (for homes valued at more than \$3,165,000) and the money is to be used specifically for low income families living in inadequate housing. Although most investors have a strong desire to avoid taxes the overwhelming majority of homeowners in Costa Rica will owe nothing additional and for ones who will, the tax will start at only \$437.50 yearly. It is expected to raise about \$45 million a year and be in place for 10 years.

Pensionado	Rentista	Inversionista	Representante	Permanent
Proof of \$1000 USD per month income from pension or retirement fund.	Proof of \$2500 USD per month income guaranteed by a bank.	\$200,000 investment in any Costa Rican business OR a specified amount of investment in certain Costa Rican government approved sectors.	Director, executives, representatives, managers and technical employees of companies meeting certain requirements.	First degree relative with Costa Rica Citizen (marriage or having a child) OR may apply after 3 years of another residency.
Can claim spouse and dependents under 25 yrs of age or older with disabilities.	Can claim spouse and dependents under 25 yrs of age or older with disabilities.	Can claim spouse and dependents under 25 yrs of age or older with disabilities.		Can claim spouse and dependents under 25 yrs of age or older with disabilities.
Cannot work as an employee.	Cannot work as an employee.	Income allowed from the project.	Income must exceed Costa Rica minimum wage for specified position by at least 25%.	Can work as an employee.
Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.
Cannot be absent from Costa Rica more than 2 consecutive years.	Cannot be absent from Costa Rica more than 2 consecutive years	Cannot be absent from Costa Rica more than 2 consecutive years.	Cannot be absent from Costa Rica more than 2 consecutive years.	Cannot be absent from Costa Rica more than 4 consecutive years.
All residency types must participate in the Caja Costarricense de Seguro Social (CCSS) national social security and healthcare insurance system or CAJA. Proof of participation and payments for the entire term of residency are required for renewals.				

Source: www.CostaRicaBlogger.com

Costa Rica Improves Its Competitiveness Ranking

According to a recent report by the World Economic Forum, Costa Rica has moved up 4 spots in the Global Competitiveness. The survey is designed to capture a broad range of factors influencing an economy's business climate. Costa Rica, at 55th place, outranked its neighbors Panama (63rd) and Nicaragua (115th). Within Latin America Chile ranked highest followed by Costa Rica and then Brazil.

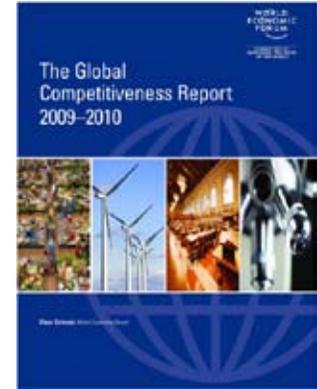
Switzerland placed first with the US falling one spot to 2nd due to the weakening of financial markets and macroeconomic instability. The top 4 also include Singapore, Sweden and Denmark.

The Global Competitiveness Index (GCI) was developed by the

World Economic Forum in 2004 and provides a comprehensive picture of the competitive landscape in countries in all stages of development worldwide. The Index compares Institutions, Infrastructure, Macroeconomic Stability, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labor Market Efficiency, Financial Market Sophistication, Technological Readiness, Market Size, Business Sophistication and Innovation.

Also, according to the Latin Business Chronicle analysis of the 2010 Doing Business report from The World Bank Costa Rica also has made dramatic improvement in its trade regime and now ranks 4th in Latin America in ease of trading across

borders. Only 3 countries saw an improvement over the prior year (Costa Rica, Peru and Venezuela).



Environmentalist; U.S. Ambassador to Costa Rica

President Obama has announced his intent to nominate Anne Slaughter Andrew as the new U.S. Ambassador to Costa Rica replacing Peter Cianchette who left the post several months ago. Ann is the founder and president of New Energy Nexus advising companies on clean technologies and environmental regulations. She served as legal counsel at Bingham McHale and as co-chair of the environment/energy team at Baker & Daniels and also served as a partner at the Washington, D.C. law firm of Patton & Boggs.

Ms. Andrew has been active with conservation and environmental organizations at both the state and national level; including The Sierra Club and the Indiana Natural Resources Foundation. She's worked with The Nature Conservancy (TNC) since 1995 serving as a member of the TNC President's National Advisory Council. She earned her B.A. from Georgetown University and her J.D. at the Indiana University-Purdue University Indianapolis Law School.

Safety in Costa Rica – How Safe Are We?

Though Central America is no longer strife with civil war, there are still safety issues to consider when traveling in the region. Most crime in Central America would be considered petty crime, the United Nations Office on Drugs and Crime relate poverty, racial inequality and drug use & trafficking as the most accountable factors influencing crime in the region. Violent crime varies from country to country in Central America with Costa Rica having the lowest incidence and San Salvadore having the highest.

Costa Rica is considered to be the safest place to conduct business. Social, political and economic risk are lower here than in any other country in the region. Crime levels increase as poverty increases. When basic needs are not met for food, shelter and clothing, the disadvantaged are often forced to commit crimes just to survive.

Though drug use does not have a direct correlation to crime, drug trafficking, money laundering and drug related violence had a direct correlation to crime within a country. In an area where some countries see an equivalent dollar value of their entire GDP flow through the country in the value of illicit drugs passing through, higher drug use influences crime levels as well.

Fortunately Costa Rica has the lowest per capita drug use of all countries in Central America. Use of cocaine in Costa Rica amounts to less than 1/2 of 1% (source ECLAC statistical handbook 2006). The murder rate per capita in Costa Rica is the lowest in Central America, half that of the next lowest country (Panama) and equal to the United States.

Common sense goes a long way in keeping yourself safe. Stay out of sketchy neighborhoods, especially at night. Avoid large crowds if possible and be aware of pickpockets. Don't leave luggage unattended in your car and don't carry flashy jewelry or expensive equipment like cameras, laptops, etc... in places you feel concerned about. While Kristina and I have never had a problem, we take sensible precautions and avoid situations that we'd stay away from no matter where we might be in the world. <http://www.unodc.org>

Welcome to the Neighborhood



Suk and Bob

Although Bob is originally from Massachusetts and Suk hails from South Korea they've lived in Colorado Springs for over 25 years now. Bob has recently retired from private practice as a lawyer (but don't hold that against him. He really is a nice guy). Bob's interests include: a study of the great works of western civilization, with an emphasis on philosophy, Asian religious practice, Hiking, Black Belt, Tai Chi Chuan, Kung Fu, and Asian and Macrobiotic cooking. Suk is a champion mountain climber and prize winning artist. She left a job as manager in the computer division of the Korean Rail Company (the largest railroad system in Korea) to move to the US. She was trained as a hairstylist and teacher in Seoul, Paris and New York and recently sold her spa and salon which was located in the Hilton Hotel. Bob alleges that Suk proposed marriage in 2000. He, of course, accepted her proposal upon a promise to buy him a condo and maintain him in silk underwear. [Insert by Suk before mailing: My husband is crazy].

Coors Light is Now Available in Costa Rica

Molson Coors Brewing Co. recently launched a partnership with a local importer and Coors Light is now available throughout Costa Rica. A significant portion of people in the country prefer a light beer and until now the only options have been Bavaria and Imperial Light which historically have been less than 25% fewer calories than the regular versions.



Restaurant Review: Cuna del Angel



We recently dined at the restaurant at the Cuna Del Angel Hotel, located 9 kilometers south of Dominical on the Coastal Highway known as the Costanera. The décor is incredible complete with domed ceiling and round dining area. The conical design was inspired by a Boruca Indian ancestral temple and the flow of energy is inspirational. The romantic candlelight setting is very stylish and our group was amazed at the high style architecture. The feel is tropical Mediterranean and the menu is international with emphasis on fresh local sea food. Entrée prices range from \$8 to \$15, a reflection of

the high quality ingredients used and culinary skill of the chef. The restaurant offers a 3 course gourmet meal as well as ala carte. The owner Tom stopped by to introduce himself and check on our satisfaction with the meal. He comes from Munich, Germany and fell in love with the tropical surroundings. He gave us all a free after-dinner cordials and thanked us for visiting. Rates at



the hotel range from a low of \$70 for a jungle room to \$400 for a two bedroom suite. Kristina and I have stayed in the jungle rooms before and look forward to staying in one of the main rooms in

the future. The Cuna Del Angel is an amazing place you would never expect to find here, a hidden gem of refined elegance.

<http://www.cunadelangel.com>



“The preparation of good food is merely another expression of art, one of the joys of civilized living...”

— Dione Lucas

The Volcanoes of Costa Rica

If you've never visited an active volcano it's certainly something you should put on your bucket list. To bear witness to our earth's constant transition and what ancient Greeks believed was powered by the acts of gods is quite remarkable.

Costa Rica is located in the Pacific Ring of Fire which starts in New Zealand and goes through Indonesia, the Philippines, Japan and Alaska then turns south along North America, Central and South America ending in Peru and Chile. The country has over 200 volcanic formations dating back 65 million years. Only 5 are currently classified as active and most lie in the northern and central parts of the country. These volcanoes captivate the attention of tourists and scientists worldwide. Costa Rica's lush and fertile soil is due to ancient eruptions. This fertility has contributed to dense forests

which support the great biodiversity of this small country.

Irazú, the highest volcano, is known for its colorful teal blue lake situated in one of its craters. No lava flows have been identified from Irazú since a massive eruption about 14,000 years ago. Ashfall from the last eruption in 1963 showered San Jose. On a clear day from Irazú's summit you can see both the Atlantic and Pacific oceans.

Poás, the most accessible volcano, is filled with a boiling sulfur-rich lake. Poás eruptions often include a geyser-like ejection of crater lake water. Two Calderas (cones), one nested within the other, developed in the summit area of Poás. The younger, smaller collapse occurred less than 40,000 but more than 7,540 years ago.

Arenal, perhaps the most popular volcano is Costa Rica's most

active spewing gas, steam and hot red rocks on a regular basis. Arenal, Costa Rica's youngest volcano, was considered to be extinct since it had remained silent for more than 400 years and was referred to as a mountain. In 1968 the volcano suddenly erupted blowing a huge hole in the mountainside. Its eruptions continued for several days and completely buried over 9 square miles with rocks, lava and ash. Currently its activity is closely monitored by scientists and the population now lives a safe distance away.

Volcanoes are powerful entities with the ability to capture the imagination. They are the origin of many legends, the cause of some scientific research in space, and a source of lightning, diamonds, and electricity via geothermal energy.



Guess the names of the volcanoes. Answers below

The Resplendent Quetzal- *God of the Air*

The Resplendent Quetzal is a spectacular bird of the trogon family. It's found from southern Mexico to Western Panama and lives in the mountain cloud forests. The bird is approximately 14 inches long with a tail streamer (in the male) of up to 25 inches. Resplendent Quetzals have an iridescent green body with a red breast.

The skin of the quetzal is very thin and easily torn so it has evolved to have thick plumage for protection. They are primarily fruit eaters, however they will on occasion include insects and frogs in their diet. These birds love wild avocados swallowing the fruit whole and then spitting out the pits (they really regurgitate the pits but spitting sounded more tasteful to me).

Both parents take turns incubating two or three eggs at a time

and both take care of the hatchlings. Toward the end of the rearing period the female will abandon the young and the male is left to continue caring for the offspring until they can survive on their own.

The Resplendent Quetzal was considered divine by Pre-Columbian civilizations. Their beautiful green tail feathers were considered to be symbols for plant growth and were venerated by ancient Aztecs and Maya. They called the quetzal the "god of the air". Royalty and priests wore the tail feathers in ceremonies. Since it was a crime to kill a quetzal the



bird was captured, its tail feathers plucked and it was set free (with a sore rear end no doubt).

It's been thought that the Resplendent Quetzal could not be bred or held in captivity as it was known for killing itself soon after being captured or caged, however successful breeding programs have begun in Mexico. Their current status is "Threatened".

Here we are at another newsletter, time keeps flying by. The good news is that the new highway from Quepos to Dominical is nearly complete with the first coat of asphalt applied most of the way. The bridge at the Sevegre River is being widened and traffic to the southern region continues to increase. The new toll road from San Jose to Orotina is also nearing completion. These two changes will cut more than 90 minutes from our drive time to San Jose.

We continue to get great press from International Living Magazine and our Discovery Tours have been a sell-out. We had a great group for our 10 day country/property tour in September and have already sold out our November Discovery tour.

Our next Discovery tour is December 31st through January 3rd. At just \$250 per person the tour is pretty much all inclusive except international airfare. Details can be

found here: <http://www.pacificlots.com/ItineraryDiscoveryTour.html>. As always we apply the fee paid toward any purchase in our developments and give \$1000 credit toward travel expenses.

Our next 10 day country and property tour is scheduled for January 4th through the 13th. At \$2000 per couple or \$1500 per single the price can't be beat. All lodging, 1/3 of all meals, all national park fees & activity fees are included. <http://www.pacificlots.com/Itinerary.html>

Frontier Airlines resumes direct flights from Denver in December and Jet blue just added direct flights from Orlando, their first Central American location. This week Delta was offering tickets from Atlanta for just \$188 round trip. American Airlines is also offering great rates from many US locations.

As the property and credit markets in the US start to recover, we expect upward pressure on prices in Costa Rica. We are already seeing a huge



increase in commercial development in the nearby town of Uvita. With recent changes in the immigration laws in Costa Rica (see story in this issue of the newsletter) much of the uncertainty about these changes is now eliminated.

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September Tour Pictures

