

Paradise Post

News From Ojochal, Costa Rica
and Beyond

October 2011



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Updates from the Osa

In local news, Anja Geesink from El Mono Feliz is holding Spanish classes for those in the area wishing to improve upon their language skills. She's holding classes every Tuesday at 10:00 at the hotel. If anyone is interested you can reach her at o.geesink@gmail.com. I always recommend to anyone moving into the area to learn at least a touch of Spanish. I've heard it's good for your brain. Also, Playa Tortuga is having a very successful turtle release season.

In general news, Fitch Ratings has affirmed Banco de Costa Rica (BCR) at BB+ with a stable outlook. Legislators in Costa Rica recently approved an annual tax of \$300 on active corporations and \$150 on inactive. Typically individuals hold assets such as land, houses and

vehicles through inactive corporations. And, the telecom monopoly in Costa Rica has now officially ended. Claro and Movistar have been notified that they can now start signing up customers.

Pura Vida!

Kristina Welburn

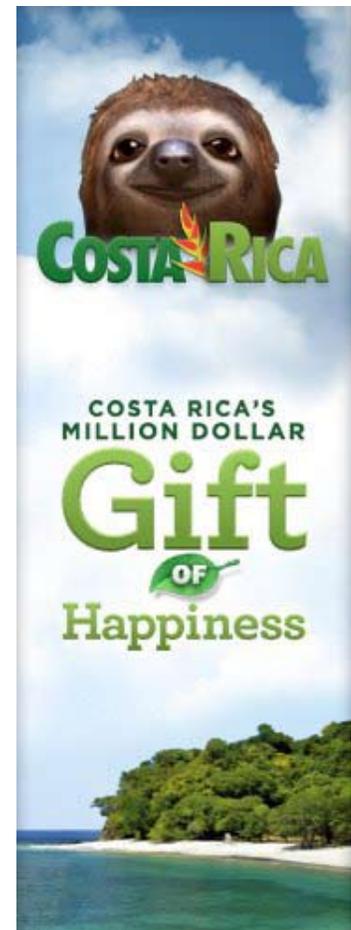
Kristina@PacificLots.com

Win a Free Trip to Costa Rica!

Costa Rica's tourism board is taking advantage of the fact that the country has been rated as the happiest on earth. They've just announced an ad campaign offering numerous free trips to see for yourself just what Costa Rica's all about.

The contest is on Visit Costa Rica's Facebook page <http://www.facebook.com/visitcostarica> and features an adorable and hilarious animated sloth (make sure you watch the 3 quick videos). The contest is called "Costa Rica's Million Dollar Gift of Happiness" and will give away one free trip per weekday from now until February 5th, 2012. Each winner with one guest will spend 8 days and 7 nights on a customizable trip to Costa Rica. Because the country truly has something to offer everyone the trips offered include "Adventure Happiness", "Adrenaline Happiness", "Authentic Happiness", "Romantic Happiness", and "Wildlife Happiness".

There will also be 95 people selected by the staffers who "could benefit from a gift of happiness". In total, 255 lucky winners will receive free trips. What are you waiting for? www.facebook.com/visitcostarica



www.PacificLots.com

Welcome to the Neighborhood



Scott and Susan are from a small, south Jersey town near the Atlantic Ocean. While they enjoy spending the summers at the beach with their four young children, they realized that the summer season was just too short. They were looking toward their retirement years and wanted a lower cost of living, a friendly culture, good healthcare, and MUCH more time at the beach. "Costa Rica and Pacific Lots was the answer we'd been looking for," says Scott. They purchased a great lot in Ojochal in Phase 10 and are excited to begin building soon. "We want our kids to enjoy this with us and learn and experience this wonderful culture," says Susan. Scott, a physical therapist and chef, is hoping to open his own business in Ojochal. Susan, an English teacher, is hoping to volunteer her time in the local schools and teach English while she improves her Spanish. They are excited to not only build their dream home in Ojochal, but also to meet more ex-pats and locals alike to make them feel more at home in their new community.

Renee Pyburn is an American originally from New Orleans, La. and has been living and working in the Middle East and Thailand for the past 19 years. She is currently the Project Manager, Simulation for Sidra Medical and Research Center project in Doha, Qatar where she has lived for 4 years. Prior to that she worked in Saudi Arabia for 11 years and Kuwait for 2 years. She also studied gemology and jewelry design in Bangkok, Thailand for 2 years.

Renee's Educational Background includes a Master's Degree in Informatics from University of Colorado School of Nursing, an ADN from LSU School of Nursing, and a Bachelor's Degree in Psychology from

Tulane University. She is also a certified gemologist and jewelry designer.

Renee's background includes experience in the following fields: Critical Care Nursing, hospital supplies and equipment, clinical research, education, informatics and database administration, hospital construction and planning, and various project management and senior management roles for hospital projects.

Renee's passion is adventure travel and she has been to over 90 countries.

Her leisure interests include sports, art, music, jewelry design, and reading. She is also a journal reviewer for several peer-reviewed clinical

journals and an active member of the Society for Simulation in Healthcare.



The Best Police Officer in the World

During the International Association of Chiefs of Police conference held this past month in Chicago, a Costa Rican anti-drug officer was recognized as the best police officer in the world. 13,000 police officials from 81 countries honored the narcotics officer for his work fighting international drug trafficking.

The officer, whose name has been withheld, was instrumental in capturing Alexander Leudo Nieves, a Columbian drug trafficker who was one of the most wanted by the DEA.



This isn't him.

We'd also like to welcome the purveyor of fresh fish who has been showing up at the entrance to the village on weekends. As you enter Ojochal, you will see the shade umbrellas and coolers and a sign indicating the type of fish for sale as well as the price. Where else in the world can you often buy fresh red snapper, sea bass or mahi mahi for around \$4 per pound. On some days they'll even have a nice selection of shellfish including fresh crab.

Assessing your Water Management System by Christian Castro

As with all landscape design, grading is the keynote. Those who have had landscape drainage problems will surely agree! The purpose of grading is to provide proper management for rainwater runoff.

In the last few years, the Southern Pacific of Costa Rica has experienced unusually heavy rainy seasons. Some proactive homeowners have assessed their water management systems in order to avoid further damage to their properties and adjacent neighbors.

When assessing your property's water management system the key is to determine if surface rainwater is directed away from the buildings and is controlled to eliminate and minimize the impact on adjacent properties.

The following step is to identify locations where significant volumes of rainwater runoff are being generated. Then start thinking about how this can be addressed and write down any ideas you may have here.

It is also advisable to examine if the soil types on your site are suitable for infiltration practices. Thus, you should consider that sandy and gravelly soils infiltrate water quite well, while soils with more than 30 percent clay do not infiltrate very well. Also locations where

bedrock or groundwater is very close to the soil are less suitable for infiltration practices.

In those properties with steep slopes, it is absolutely essential to perform the proper stabilization. There are two factors that have the greatest effect on slope stability: gradient and groundwater. Generally, the greater the slope gradient and the more groundwater present, the less stable will be a given slope regardless of the geologic material or the soil type.

Figure 1. shows a stabilized slope. It has the desired gradient, presence of plantings as erosion control agents, and the required size concrete gutters to manage peak rainstorm demands.



Figure 1. Terraced slope at Angstadt Residence, Ojochal

Finally, it would be suitable to evaluate the function of trees, groundcovers and open space to provide natural absorption, storage, evaporation and filtration services. Typically, this mimics the natural water cycle by allowing water to infiltrate down through the soil and slowly release into the watershed.

As you have noticed above there are several ways to assess water management. The best method depends on your particular setting and land contouring. If you have a question about landscape grading or drainage problems that you need some help with? Here is the place to ask!

Christian Castro
Landscape Designer
Horizon Landscape Design
christian@horizon-plan.com



Royal Palm Interiors has Moved to Uvita: Shelagh Duncan



Our New Store
In Uvita Is
Open!

We are
delighted with
our large,
new space

because we are now able to show many more beautiful pieces of furniture, gifts and home décor items. We have the same great mix of rustic, modern, casual and transitional styles – just more of them! For your added convenience, blinds, drapes, and upholstery have now been added to our services.

At Royal Palm Interiors you can find everything for your luxury or rental home. As well as furniture and home accessories you can find a wonderful selection of lighting fixtures, table lamps, framed art, mirrors, and everything for your bedroom and bathroom needs, including our super-soft bamboo sheets and towels. We have a variety of great gift ideas, and also offer a bridal registry.

We represent a number of fine furniture and home décor companies, so have access to many more lines and styles than are shown in the store.

Our focus remains the same – value and quality. At Royal Palm only the *look* is expensive!

The store is located 25m east of the BCR in Uvita – opposite the Police Station.

royalpalmintriors@gmail.com
Ph: 506-2743-8323
www.royalpalminteriors.com



Airport Upgrade Completed

The Juan Santamaría International Airport in San José has recently finished a major restructuring and is ready to more than double its passenger capacity. The airport partnered with the Inter-American Development Bank (IDB) and the Overseas Private Investment Corporation (OPIC) to complete the expansion. In September the IDB and OPIC disbursed \$100 million in loans to AERIS Holding S.A., the airport's operating company.

The work took over three years and included a terminal extension to house security, immigration and customs processing, renovation of boarding bridges, additional parking positions, reconstruction of a taxiway, etc....

Juan Santamaría International Airport is the second busiest airport in Central America and receives 85% of all international arrivals into the country. The airport's main runway allows for operations of large, widebody craft including the Airbus A330, A340, and Boeing 747 and 767.



Southern Airport One Step Closer

The Costa Rican Newspaper Diario Extra ran a story last week about the status of the new southern region international airport. Initially plans called for the airport to be a mega complex with a runway long enough to land the newest and largest aircraft including 777's and 380's, in hopes of landing flights originating in Europe and Asia. The idea for the southern region international airport began back in 2006 and was supported by Oscar Arias. Laura Chinchilla, the current President of Costa Rica, proclaimed the project "of national importance". The project is also supported by the Costa Rican Civil Aviation Authority, MOPT, the ministry of Public Works and Transportation, the Osa Chamber of Tourism and the regional development board, Judesur.

Current plans envision the project being completed in 2 stages starting in 2012, with completion in 2016, at a cost of \$35 million dollars. The initial phase would open in 2012 to smaller aircraft while the second phase would bring the runway length to 10,000 feet, capable of landing the new A380 Airbus and Boeing 777 and 787's. Environmental concerns cite the proximity to the largest mangrove estuary in Central America, just north of the proposed location and the fact that nearly 3% of the earth's biodiversity is located in the region. The project suggests that jobs and a reduction of poverty will result from the project though some argue that in Guanacaste

just the opposite occurred as the cost of living rose will few jobs went to people from the region.

In an interview on the 17th of October, Luis Carlos Araya (Deputy Minister of Air and Maritime Transport) and Jorge Vargas (vice president of the Civil Aviation Technical Council CETACEAN and director of the central Airport Security Agency) discussed future plans and investments in Aviation with reporters from the newspaper Diario Extra (link to the article <http://www.diarioextra.com/2011/octubre/17/nacionales04.php>)

The report, issued in conjunction with research by the University, recommends scaling the project down to a runway length of 6600 feet, a terminal adequate to handle aircraft up to 150 people. The report suggested that any plans to enlarge the existing domestic airport in Palmar Sur won't work since the current airport is boxed in and would require expropriating land from 45 families. The initial plan utilizing land located on Fincas 9, 10, 11 and 12 could be scaled back to only require the use of Fincas 9 and 10.

The region needs the airport to better distribute tourists throughout the country, lower poverty and bring jobs. The area where the airport is slated to be located is currently being used for banana and African Oil Palm cultivation, both mono crops that are not desirable environmentally and the sooner the project is completed, the quicker

money will flow into the region. Through better management of development in the region as the airport brings more people, a project of this importance can ensure that Costa Rica prospers in the next decade while living up to its reputation of "responsible tourism". Here is a link to the article on the University of Costa Rica's website http://kioscosambientales.ucr.ac.cr/index.php?option=com_content&view=article&id=1142:queremos-iniciar-aeropuerto-en-el-sur-en-el-2012&catid=40:noticias-ambientales&Itemid=60

WestJet to Fly to Costa Rica

WestJet, of Canada, announced in August of this year that they will soon begin nonstop service to Costa Rica. Hugh Dunleavy, WestJet Executive VP, Strategy and Planning said "We congratulate the governments of Canada and Costa Rica in signing this agreement. The beautiful country of Costa Rica and its extensive ecotourism opportunities have long been of great interest to Canadian travelers. This agreement will result in new opportunities for visitors from both Canada and Costa Rica to travel between the two countries."

Waste to Energy Plant Coming Soon to Costa Rica

In further effort to become the first carbon neutral nation on the planet and to reduce waste going to landfills, Costa Rica is gearing up to build a 45 Megawatt waste to energy plant in Alajuela. The plant will be built in three phases, each totaling 15 MW/hr of electrical output. The technology being employed is based on developments from Entech Renewable Energy Solutions www.entech-res.com/ and utilizes techniques that both reduce emissions per kilowatt of electricity and deal with the growing global issue of waste management solutions. The plants will start with source separation to recover usable components in the waste stream such as aluminum, glass, plastic, steel, etc... eliminating the need for waste separation by the consumer. Even in the US, nearly 25% of all households make no attempt to recycle. Through separation at the plant, recycling is a given by all waste generators.

The new plants will rely on gasification as the chief source of energy generation. This method, at temperatures above 300 degrees Celsius, will also destroy any pathogens present in the waste stream. Waste to energy has traditionally had a bad reputation, even by organizations like Greenpeace and the EPA but when

compared to all other types of energy generation using fossil fuels or biomass, waste to energy contributes lower emissions, less toxins and less dioxin than other methods when considering the entire life cycle of waste left in landfills. By turning waste into energy, you are not only benefiting from the energy production but also by the decrease in solid waste left to rot for years while contaminating ground water, releasing methane and contributing to pollution globally. The plants will be capable of processing 520,000 tons of municipal waste per year.

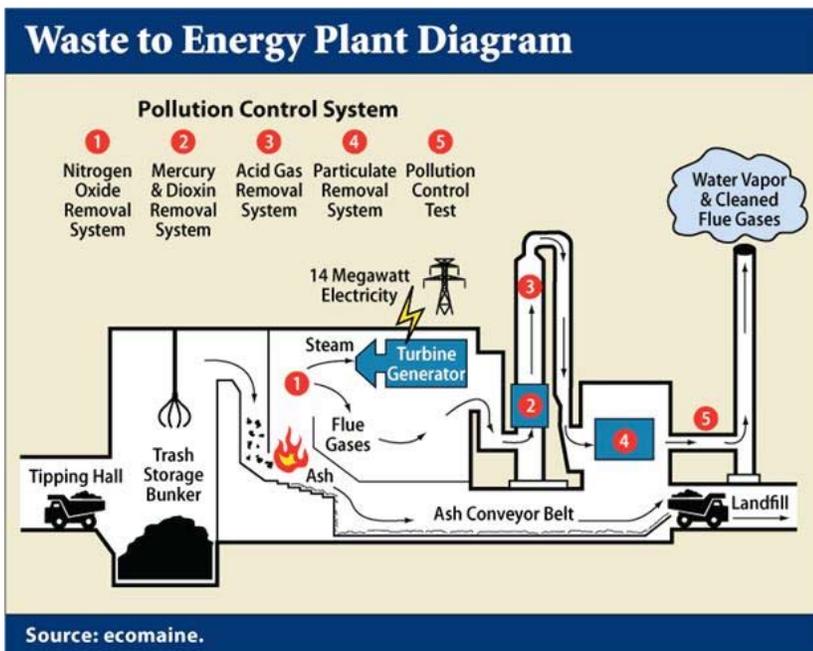
The project will be funded in three phases, the first totaling \$140 million USD. Total cost to complete the entire project will be approximately 400 million USD and will be funded by Capital Corp Merchant Banking, a US company headed by Giles Herard Jr. Mr Herard formed the company after years in the merchant banking arena with both Toronto Dominion Bank and Manufacturers Hanover in New York as a credit analyst. Capital Corp syndicates funding and manages the financial aspects of projects. The firm has won awards for creativity and specializes in emerging technologies and mid market funding solutions.

New Hydro Power Plant Online

After 10 years of construction this past month Costa Rica opened a new hydroelectric power plant that will use the country's tallest dam to supply clean electricity to approximately 12 percent of the population.

Rising 371 feet the dam is almost two thirds the height of Three Gorges dam in China. The 134 megawatt Pirris power plant in southern San José has the capacity for 30 million cubic meters of water. The plant will generate enough energy to power more than half a million homes. The total population of Costa Rica is around 4.6 million people.

The project cost just over \$600 million and is helping the country to work toward eliminating its carbon footprint and switching to just about 100% renewable energy by 2021.



Medical Tourism Growing Quickly

Medical tourism has been growing at a rate of 15% to 20% generating almost \$300 million dollars annually. 36,000 tourists come to Costa Rica each year in search of treatments including dental, orthopedics, cardiovascular, plastic surgery and aesthetics.

Manuel Antonio National Park Rated as One of the Most Beautiful on the Planet

Anyone who's asked us for recommendations on where to go as a tourist in Costa Rica has heard us plug time and time again Manuel Antonio National Park. Apparently Forbes.com agrees. Recently Forbes announced Manuel Antonio National Park as one of the top 12 most beautiful in the world.

The small but stunning park is rife with exotic animals and fascinating flora. It's the most visited national park in the country and if you don't arrive early in the day during high season you may be disappointed to find that you aren't allowed in. Entry is restricted to 1000 visitors per day.

The easily accessible park has several lovely beaches and trails that vary from "flip flop accessible" to "hiking boots necessary". It offers something for everyone. Jane Levere of Forbes wrote "Here is a stunning combination of beaches and coral reefs, perfect for snorkeling and exploring the area's famous tangle of mangroves. Rainforest jungles remain untouched habitats for Brown-throated Three-toed Sloths,



iguanas, Central American squirrel monkeys and birds of extraordinary colors. One of Costa Rica's smallest national parks, Manuel Antonio is nevertheless one of its most popular, with activities ranging from white-water rafting and sea kayaking to horseback riding on one of the park's four beaches."

Costa Rica has been making improvements to the park's facilities and will continue to do so over the next couple of years. "We are not interested in increasing visitation to Manuel Antonio National Park, we want to enhance visitor experience," explained

Carlos Vinicio Cordero Valverde, Regional Director, ACOPAC, SINAC-MINAET, as he discussed the future improvements. Finances received from a Climate Change and Rainforest Conservation fund will support these improvements, which will include a suspended footpath, a visitors' center, disability access, new trails, additional training for park rangers, and a museum, among other facility updates.

Forbes evaluated 7000 national parks worldwide and the winners: Yosemite National Park, USA; Fuji-Hakone-Izu National Park, Japan; Grand Canyon National Park, USA; Guilin and Lijiang River National Park, China; Banff National Park, Canada; Serengeti National Park, Tanzania; Parque Nacional Torres del Paine, Chile; Swiss National Park, Switzerland; Lake District National Park, England; Fiordland National Park, New Zealand; Parque Nacional Manuel Antonio, Costa Rica; and Kakadu National Park, Australia.

The ARA Project: Macaw Conservation in Costa Rica

The project was originally started 30 years ago as a refuge for unwanted parrots. It has now evolved into one of the most successful breeding and reintroduction programs running today worldwide.

The ARA Project has a breeding centre in Rio Segundo de Alajuela, 5 minutes from the international airport. It houses the largest captive population of Great Green Macaws and one of the largest captive populations of Scarlet Macaws in the world. The breeding population is made up of Macaws who have been brought to the center either by the government after



being confiscated from poachers or rescued ex-pets. They rehabilitate them and allow them to spend time with the flock in the hope they find a mate and breed future generations who will be released back into the wild of Costa Rica. If you or visiting friends would like to take a tour of the Breeding Centre please call: (+506) 8662 2663 or email:

jenny@thearaproject.org to make an appointment.

They have released birds in five different release sites throughout the country, including the first in the world for Great Green Macaws, located at Punta Uva, Manzanillo on the south

Caribbean coast. The release program has been very successful so far. The most successful is the Scarlet Macaw release project currently running at Tiskita. Scarlet Macaws have been released there since 2002, with a success rate of over 80%. Even better, the released Scarlet Macaws have been breeding on their own without any human interference since 2008.



Well another year is flying by. With blizzards already hitting the northeast and Denver areas, winter is setting in fast. In the past few months we've exhibited at International Living events in both San Jose, Costa Rica and Las Vegas. Those in Florida can visit us at the Tampa Home Show at Tropicana Field in St Petes, FL November 11, 12 and 13 our last show in 2011. We've been adding to our 4 day discovery tour schedule as winter approaches, here are the upcoming dates; November 17 - 20 (sold out), November 24 - 27, December 8 -

11 RETA members only (sold out), December 28 - 31, January 4 - 7, January 21 - 24, January 26 - 29, February 5 - 8, February 23 - 26, March 7 - 10, with more to follow. The economic outlook has not improved much and many of us have seen our retirement funds drop in value again this past quarter. Now might be a good time to come check out your options on retirement in paradise before Uncle Sam makes moving funds out of the US more difficult...



Stephen Linder

Steve@PacificLots.com
305-295-0137

UNCLE SAM WANTS YOU – To report your foreign assets...

On June 30, 2013, foreign banks worldwide that fail to adopt an agreement with the IRS will be subject to substantial sanctions. The law mandates new filing requirements if US controlled foreign assets are greater than \$50,000. Foreign banks will be required to collect tax identification numbers from US citizens and to send regular updates on their bank balances and activity. Furthermore, US citizens who own more than 10% share in foreign corporations will also have to report their participation, valuing the assets of the corporation based on current exchange rates in the country of ownership. Trusts are not excluded and there are rumors that even insurance policies will need to be reported. That's because some expats have sheltered assets in foreign countries by purchasing large insurance policies, with guaranteed payoffs to their heirs. The IRS has realized this has become a strategy to hide assets abroad. Some US citizens have hidden assets in Costa Rica by holding assets in Costa Rican corporations, also known as SA's (Sociedad Anonima). Under civil law in Costa Rica, ownership of Sociedad Anonima corporations was hidden. Now however, the new IRS laws require Costa

Rican banks to remit information about beneficial ownership. Simply moving funds in conjunction to setting up an SA will require reporting on the funds involved in the transaction, and their sources. And Costa Rica has already demonstrated its compliance in extradition of foreigners violating IRS rules and regulations.

The law, the [Foreign Accounts Tax Compliance Act](#) was signed into law by President Obama on March 18, 2010 as part of the Hire Act. There were many parts of the Hire Act aimed at increased reporting of both foreign assets and income by US citizens, as well as to increase tax collection on foreign earned income. Banks that don't comply with the law will be subject to a 30% withholding requirement on all funds originating in the US.

Foreign banks worldwide that fail to sign an agreement with the Internal Revenue Service by June 30, 2013 will be subject to stiff sanctions. Expats also face new requirements when filing tax returns if their foreign assets exceed \$50,000. A



new form [Form 8938](#), can be reviewed on the IRS website. We're being told the form is just an informational filing form, a way to map where assets owned by US citizens are being held. It will not just require report cash holdings but also the value of assets held in trust or foreign corporation.