

Paradise Post

News From Ojochal, Costa Ballena,
Costa Rica and Beyond

October 2014



Updates from the Osa

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A new community based group was recently elected in Ojochal to work on community improvements. Their aim is to unite local groups to coordinate activities and share information in order to continue to clean up and make the village the best it can be.

Ojochal also has a new feria, open on Saturdays, offering home-made pickles, fresh produce, cheeses and baked goods as well as live plants, crafts and American clothing. It's housed in the Community Center (Salon Comunal).

The very popular annual Roca Verde arts, crafts and garage sale will be held this upcoming December. It will be held in Dominical at the Roca Verde Restaurant and Bar and is free of charge for sellers and buyers.

Many businesses and restaurants that have taken a welcome break and have been closed for the rainy month of October are just getting ready to reopen during the month of November.

The historic Dance of the Devils celebration takes place in December and January, and is well worth a visit to either indigenous reserves, Boruca or Rey Curré, to witness the festival and enjoy the culture.

Deepak Chopra Indian-American author, physician and public speaker will be in Costa Rica November 24th to conduct a conference on the future of well-being. He'll be speaking at the Centro de Eventos Pedregal in San Antonio de Belen.

Shelagh at Royal Palm Interiors will be having a Black Friday sale in November with special promotions of up to 50% off in order to make space for new arrivals (rattan sofas, tables, chairs, etc...). Pura Vida!

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Commute Before Costa Rica



Commute After Costa Rica

Airlines Adding Service to Costa Rica

Southwest is the largest discount carrier in the world and as of December 2013, operates over 3400 flights per day. Southwest now carries more passengers annually (101 million last year) than any other U.S. carrier. As the largest operator of 737's worldwide, Southwest hates to miss market opportunities. They've added service to important globetrotter destinations where the market promises growth and opportunity. That's why they announced in September that as of March 2015 they will be offering service to San Jose, Costa Rica. With the acquisition of AirTran airlines in 2013, Southwest recently announced plans to expand to a variety of international markets. It has also committed 100 million dollars in terminal upgrades to the Houston Hobby airport, where it plans to expand international operations.

Delta airlines also recently announced expanded service to Costa Rica including flights from Los Angeles to Liberia Costa Rica as well San Jose. Delta continues its expansion in Costa Rica, operating 40 weekly services during the peak season and connecting the cities of San Jose and Liberia with key destinations in the United States including direct flights to Los Angeles, Minneapolis/St Paul, JFK and Atlanta.

Costa Rica Tops List as the Most Recommended Tourist Destination

A recent survey conducted by the “Global Tourism Monitor Survey” found Costa Rica to offer the best vacation experience in the world. 23,000 people in 26 countries were interviewed and the results put Costa Rica in first place. The list placed Costa Rica first, followed by Austria, Israel, New Zealand, Italy, Japan, Croatia, United States, Norway, Canada, Greece and the UK. Further detail indicated that what helped Costa Rica top the list were the beaches, rainforests, climate and flora and fauna. 65 countries made the rankings. A statement released by the ICT (Instituto Costarricense de Turismo) stated “We have achieved this by betting on our own, for the rescue of the identity of each tourist region and the drive for sustainability as a fundamental pillar of tourism development,” said Wilhelm von Breymann, Minister of Tourism of

the Central American country. The survey, covering Europe, Asia and Latin America took place in the first quarter of 2014. The Global Tourism Monitor also revealed strong intentions to choose a ‘staycation’. Within Europe, Hungary recorded the highest percentage of staycationers at 63%. In North America, 51% of US citizens said they were seriously planning a domestic holiday.



Manuel Antonio National Park

Costa Rica Aims to Strengthen Trade Agreements with Canada



Although Costa Rica has had a trade agreement in place with Canada since 2002, President Solis is now working to strengthen the existing trade agreement in the interest of attracting more direct investment from Canada and to open markets and reduce tariffs on Costa Rican products sold to Canada. From October 26 - 28 Costa Rica’s President Guillermo Solis attended the Toronto Global Forum. The Toronto Forum provided an opportunity for global partners to discuss and create strategies to expand trade globally for the benefit of all involved. The event helps develop partnerships between global stakeholders interested in trade and direct investment opportunities both in Canada as well as in countries where Canada is interested in placing direct and indirect investment. The climate

at this event provides a great venue for world leaders and trade development experts to address barriers, tariffs and other restrictions. President Solis met with industry leaders in hopes of attracting more investment into Costa Rica as well as reducing trade barriers and tariffs that limit an expansion of trade with Canada. Presentations covered topics such as internet and digital opportunities, renewable resources, trade infrastructure, existing Inter-American system and agreements, Energy initiatives, growth management and the current world economic outlook. Henry Kissinger was a featured speaker and the list of attendees was like a Who’s Who of world trade and development. The event, now in its eighth year, took place at the Fairmont Royal York Hotel in Toronto.

Roman Macaya New Ambassador of Costa Rica to the US

Roman Macaya is not new to politics. He was a presidential pre candidate of the PAC (Citizens Action Party) of Costa Rica back in 2009 but lost during the PAC’s national nominating convention. He’s an entrepreneur, biochemist and politician with an MBA from the Wharton School of the University of Pennsylvania and a PhD in biochemistry from the University of California. He’s a smart guy. He runs the family business, Rimacsa, a pesticide and agricultural chemical export company in Costa Rica and he’s also a Board Member of the National Chamber of Agriculture. He was an outspoken champion against CAFTA DR, the trade agreement Costa Rica entered into with the US arguing that prior to CAFTA, the central American countries already had free trade with the US under the Caribbean Basin Trade Partnership Act (CBTPA) signed into law in 2000 by Bill Clinton. Macaya argued that CAFTA was bad for Costa Rica, opening up markets to competitive pressure from the US as well as mandating changes in things like drug testing and approval processes that would ultimately make many drugs more expensive and less available to Costa Rica. He also cited advantages to Mexico under NAFTA changes in 2007 that give Mexico a trade advantage. He recently vowed to fight against the lopsided trade balance between Costa Rica and the US as part of his quest in Washington.



Welcome to the Neighborhood



Tom and Kathy currently live in the Seattle area. They have both been in the medical field for over

30 years. Tom is a physician who's specialty was Family Medicine and Obstetrics for 25 years. He is currently working in the field of Occupational Medicine at the Port of Tacoma. Kathy is a Clinic Nurse who has worked in

many different specialties including Internal Medicine and Urology. They first left rainy Seattle and traveled to Costa Rica in 2012.

While enjoying the Pacific Lots tour, they met a group of wonderful people and were able to become part of an investment group that purchased a large property near Ojochal. They have recently completed construction on a home in the development and plan to use this as both a vacation rental property and personal vacation/retirement destination. They look forward to enjoying the fresh fruit from

their recently planted fruit trees. Tom and Kathy feel that Costa Rica is the perfect place for them to relax and enjoy fun in the sun. They have met many interesting and friendly people in their travels to Costa Rica and are anxious to invite family and friends to experience their new-found paradise!



The Design of Your Outdoor Living Space is the Expression of Your Life *by Christian Castro*

An inviting outdoor environment is the heart of Costa Rican living; and the design of your outdoor living space is the expression of your lifestyle. The planning, construction and planting of your outdoor space is as important as your house – perhaps more so.

Simple or sophisticated? A formal garden or an extension of the natural environment around you? A serene place of contemplation or party central? Or maybe all of the above? For most residents of the southern zone, our lives are spent outdoors; so that space needs to be true living space. What is important?

First things first – we get a lot of rain and water is a powerful force of nature. Water management is key to a successful landscape design. You want to keep water in the places it is useful – to nourish plants – and to keep it away from places it is harmful – slopes, around structures.

Structure – hard structures – patios, retaining walls, pergolas, gazebos, raised planting beds – these create outdoor rooms, destinations, places of interest in your living space. Just as in designing and building a house, the purpose of each space needs to be thought out to meet your needs.

Plants – Nature offers endless variety of foliage, flowers, sights and scents. Picking the right plant for the right place will ensure success – the intensity of the sun and the rain favor the use of native tropical plants, but with the right care, other varieties can thrive.

An Edible Garden – Living off the land around you is ever more popular. An herb garden, fruit trees, a patch of peppers, pineapples or a more complete market garden are all possibilities.

Maintenance – To keep your outdoor space meeting your needs it requires time and attention. Often the

soil is poor, so fertilization is important. The many insects need watching and management – sometimes with chemicals. In case you didn't notice, everything grows like crazy here. You can actually measure the difference in some plants by inches each day. Regular pruning is essential and differs by season.

By planning your outdoor space as an extension of your indoor space, and maintaining your investment regular time and attention, you will enrich your living environment and take advantage of all that Costa Rican living has to offer. Redizon Landscape is a full service custom landscape design, installation and maintenance company in Ojochal. We translate your ideas into a true reflection of Costa Rican 'Pura Vida'. Expect Amazing!

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Costa Rica Seizes Plane

The Costa Rican police force's Ministerio de Seguridad is the proud new owner of a Beechcraft King F90-1 twin engine airplane. This aircraft had been seized from drug smugglers with 1 metric ton of cocaine onboard and is now being utilized for drug smuggling surveillance flights, emergency medical flights, etc.... This is the first time the Costa Rican police have had an aircraft of this caliber, with a pressurized cabin able to reach 22,000 feet in altitude with a cruising speed of over 300 miles per hour (584 kilometers/hour). The F90-1 utilizes two Pratt and Whitney Canada Engines producing a total of 1500 SHP utilizing 4 blade propellers. The

King Air F90-1's were produced from 1978 to 1983 and a quick search online shows similar used King Airs currently listed for sale priced from \$600,000 to \$1.5 million. The Ministerio de



Seguridad also owns a Twin Engine De Havilland Caribou C-7A, a Twin Piper PA-34-200T Seneca II, a twin Piper PA-31-350 Navajo Panther, two single engine Cessna 210L Centurion II's, a single engine Cessna U206G/Soloy Turbine 206, a twin Piper PA-31-350 Chieftain a McDonnell Douglas MD500 Helicopter and a McDonnell Douglas MD600N Helicopter.

Tax Considerations for Expat Americans (and Foreigners)

This article is geared toward Americans living in Costa Rica but other foreign nationals will get some tips as well. First of all, we as Americans are subject to worldwide taxation. That means that even though you are living outside of the US, as long as you are a US citizen, you must file taxes in the US. Recently there's been some amnesty for late filing, requiring only that you pay any outstanding tax due but not any penalty or interest in many cases. For FBAR, the Foreign Bank Reporting Act, this amnesty covers the past 6 years under the new streamlined filing procedures for US citizens that might not have filed appropriately.

Here's some tips for tax compliance

- 1: You still must file your taxes in the US, due April 15
- 2: Costa Rica's tax year is from October 1 through September 30 with tax returns due by the following February 15. If you are earning income in Costa Rica, you need to pay tax in Costa Rica however the first c714,000 colons of earning are exempt
- 3: If you own a foreign bank account or multiple accounts and the aggregate total of these accounts exceeds \$10,000 US, you must comply with the FBAR regulations and report all accounts.
- 4: As of July 1, 20014, any foreign financial institution with US deposits or accounts that exceed the minimum thresholds must report these accounts to the IRS. This law is to discover assets owned by US citizens in foreign countries that may be going unreported. FATCA is a serious law and foreign financial institutions will have high withholdings levied against all financial transactions if they are found to be in non compliance with the law.
- 5: In Costa Rica legal foreign residents are required to pay into the CAJA. This is Costa Rica's social security system but also provides coverage in the national healthcare system. You must continue to pay into the social security system of the US each year even when living outside the US.
- 6: Foreign Earned Income Exclusion: If you earn money in Costa Rica and "actively participate" in the process, you are allowed a \$99,200 foreign earned income credit that is tax exempt in the US. You must qualify as an expat to take advantage of the exclusion. To qualify you must meet the test of either living outside the US for at least 330 of 365 days per year or have lived outside the US for at least a year without plans to move back. Foreign passive income such as rental or investment income does not qualify for the exclusion.
- 7: All visitors to Costa Rica have to pay an airport departure tax of \$29 that needs to be paid before you can fly out of Costa Rica. There are counters at the airport to collect this tax. Most countries have an airport departure tax but the fee is included in your airline ticket. Costa Rica does not allow inclusion in the price of a ticket. The US charges a variety of taxes and fees for arrival, departure, customs, passenger facility charges, immigration, etc that amount to roughly \$34 per person but the fee is always included in the price of the ticket so we are not so aware of it.
- 8: Capital Gains tax: There is no capital gains tax in Costa Rica making investments more attractive than in many other countries. Costa Rica has a 13% sales tax as well as stiff duties on some imported items, notably automobiles. Currently there is no duty on hybrid vehicles purchased in Costa Rica.
- 9: Don't think that moving outside the US diminishes your tax obligations in the US. You must continue to file and pay taxes no matter where you reside as long as you are a US citizen. We've seen Interpol come to remote villages in Costa Rica and arrest and deport US tax cheats so do be aware and in compliance.

As we head into the fall and temperatures fall in much of the northern US states and Canada, our tour bookings are once again filling quickly. We've added 3 tours in December and 4 in January with one January tour already sold out. We've also begun our busy show season by sponsoring International Livings largest event of the year, "Fast Track Your Retirement Overseas" in Las Vegas, NV. In November we are sponsoring the "International Real Estate Forum" in Cancun, MX and then the "Fund Your Life Overseas" event in Phoenix, AZ. In Costa Rica, We're opening up more great properties in phase 11 and have introduced a small townhouse development in Tres Rios de Coronado, just south of Ojochal and close to the new hospital, offering 1 and 3 bedroom condo style townhouses. With the election of new president Guillermo Solis, we don't yet know the status of the proposed international airport slated to be built just to our south.

The solar industry is growing rapidly in Costa Rica as the government mandated net metering requiring the

electric company to buy back any excess electricity from customers who've installed solar panels. Sun Electronics, one of the largest retailers of solar panels and equipment in the US has recently opened a warehousing and sales facility in San Jose. see www.sunelec.com Work is still halted on additional hydro electric production that was started in 2009 in the southern Pacific region of the country. The project, known as El Diquis, would create the largest hydro plant in Central America.

Costa Rica continues to add jobs to replace those lost to a workforce reduction by computer chip maker Intel as well as Bank of America. President Solis is championing new trade agreements and employment initiatives as well. Tourism continues to grow and Southwest is entering the market with service to Costa Rica and Delta has added additional routes as well, increasing the number of gateway cities with direct service to Costa Rica. Southwest moves more passengers in the US than any other airline so their entrance into Costa Rica is significant.



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We recently released a number of condos, one and three bedroom units with rooftop decks and community pool. These units are a perfect getaway for those who don't want to worry about owning a single family home. Located in Tres Rios de Coronado, they are just a few miles south of all the restaurants in Ojochal and just north of the new 18 hole golf course in San Buenaventura. Located in a complex of roughly 15 units, they are close to the new Hospital de Osa as well. The 3 bedroom units have 2 1/2 baths while the one bedroom units have 1 1/2 baths. Priced from the low \$200,000's, these units are a great value.



Come See Us on a Chill Weekend this Winter

