

Rural Electrification and Telecommunications Program

INTRODUCTION

What is the Rural Electrification and Telecommunications Program?

The Rural Electrification and Telecommunications Program offers rural Yukoners an *affordable* and *convenient* way to have electrical or phone service extended to their home or business where it might not otherwise be practical or possible. Eligible projects include single-site connections, group-installations, and alternate energy systems for private use.

This special financing program is designed to give property-owners maximum *flexibility* and *choice* in deciding whether, how, when and where a single-site or group service project will be undertaken, managed and financed.

Over the years, hundreds of Yukon households and businesses have benefited from the community-driven, partnership approach of the Rural Electrification and Telecommunications Program.

Yukon Government Contributions

The Property Assessment and Taxation Branch of the department of Community Services administers the program on behalf of the Government of Yukon.

On receipt of a project application from one or more rural property-owners, program staff will work to provide the property-owner(s) with the information and assistance they need to make informed decisions on the proposed project.

The department also provides technical, administrative, financial and

project management support on approved projects.

Property-Owner Contributions

All property-owners who will benefit or be affected by a proposed project are encouraged to actively participate in all project discussions and decisions.

This includes participating in the Support Vote held to determine the level of community interest in a proposed project, as well as the Approval Vote held to confirm the level of community and property-owner support to proceed with a project.

Yukon government financing of approved projects is 100% cost-recoverable from the property-owner(s).

For more information
call, write or visit:

Property Assessment and Taxation
Department of Community Services

Ph: (867) 667-5268
or toll-free 1-800-661-0408 ext. 5268

Email: assessment.taxation@gov.yk.ca

Mail

Government of Yukon
C-9
P.O. Box 2703

Visit

Main Floor,
Main Administration
Building
2071-2nd Avenue

Whitehorse, Yukon Y1A 2C6

Rural Electrification and Telecommunications Program

Eligibility

The program is available to property-owners whose rural residential, small load commercial or other non-industrial properties are within the Yukon government's property taxation authority. This program **does not apply** to properties within these Yukon municipalities:

- Carmacks
- Dawson City
- Faro
- Haines Junction
- Mayo
- Teslin
- Watson Lake
- Whitehorse

Developers who own a minority of the total number of properties in a proposed service area may qualify to take part in project-approval votes. However, developers who are constructing or servicing a subdivision, major and isolated industrial businesses, and resource development projects eligible for similar services under another Yukon government program are not eligible to apply for assistance under this program.

Financing

Financing under this program is extended on a 100% cost-recovery basis.

To protect Yukon taxpayer investments under the program the Yukon government has set a ceiling on the amount of financing it will make available for individual projects. The ceiling is equivalent to **25%** of the assessed value of the property, or group of properties in a defined area, that a proposed project will serve. Yukon property values are assessed each year by the Yukon government for property taxation purposes, and may differ from private real-estate market values.

Property-owners potentially benefiting from a project are required to make a fair and equitable contribution to the total project costs. (See ***Contributions*** for further details.) Property-owners may choose to repay their share of project costs in a lump sum, or, by paying a local improvement charge as part of their annual property tax bill. A local improvement charge may be repaid over 15 years. The annual charge is set by regulation.

In some cases, service may be brought in for a group of properties in a defined geographic area. Property-owners in the project area who do not want to immediately hook-up their individual properties to the new system can defer payment of the local improvement charge:

- for a period of 15 years
- until they hook-up to the service; or
- until the property is sold,

whichever comes first.

Local Improvement Charge Deferral Agreements are filed with the Land Titles Office to register the Yukon government's financial interest in the property.

Rural Electrification and Telecommunications Program

Contributions

Fair & Equitable Cost-Sharing

Unless all property-owners in a project area agree otherwise, a project-approval vote will propose an equal sharing of costs for 'shared' infrastructure.

This means that each property-owner would be expected to pay the same, equal amount to cover shared project costs as every other property-owner in the project area, regardless of factors such as property size, use or zoning.

For example:

The estimated cost of installing shared infrastructure to service 10 properties is \$100,000.

The project vote will be taken on the basis of an equal sharing of costs, or \$10,000, by each property.

*The Yukon government finances electrification and telecommunication projects on a 100% cost-recovery basis. This means that all project costs including interest are recoverable from the property-owners in the project area. Property-owners choosing to defer payment of a local improvement charge on their property are **not** charged interest during the deferral period.*

~ The starting point for all project discussions ~

*COMMON PROJECT COSTS WILL BE SHARED EQUALLY
BY ALL PROPERTIES WITHIN THE DEFINED PROJECT AREA.*

In extraordinary circumstances one or more property-owners might consider an equal sharing of costs to be unreasonable. In such cases, Community Services will endeavor to assist all property-owners in the project area reach consensus on an alternate cost-allocation formula. In these cases, factors such as property zoning, size, use, and any other matters of possible relevance to the discussions may be considered.

The department's role in such cases is limited to facilitating community discussion on proposals for an alternate cost-sharing arrangement. The final decision to allocate project costs on any basis other than an equal sharing of costs rests with the property owners, and agreement by all property owners within a project area is required if there is to be any variation from the standard cost-sharing formula. If the property-owners do not reach consensus on an alternate cost-allocation formula, a project vote will proceed on the basis of an equal sharing of costs.

For 15 years following the completion of a project funded by this program, any other property-owner who applies to hook-up to the newly-installed system, or who occupies a property that was not approved for legal land tenure at the time the original project was undertaken, is required to make a *proportional* contribution to the (earlier) project costs. This means paying a prorata amount for that portion of the system facilities they are using, based on the original project costs. This contribution is in addition to any stand-alone costs for a service connection to the main grid.

The proportional amount is then rebated to the property-owners in the area who are paying or have paid for the original system installation.

Rural Electrification and Telecommunications Program

Application & Approval Process

Step 1 - Apply	<p>Fill out an application form and submit it to the Property Assessment and Taxation Unit. Forms can be picked up from the Unit, Yukon Energy Corporation (for electrification projects) and NorthwesTel (for telecommunication projects). All project requests are managed on a 'first come, first served' basis.</p> <p>The Unit will then work to outline the project area, identify infrastructure needs, set the amount of the project-planning deposit (determined by the service provider) required of property-owners, and clarify how the Government of Yukon and the service provider will support the proposed project.</p> <p>Small projects (4 or less properties) often move very quickly to Step 2. Larger projects usually first proceed to one or more public information meetings for all property-owners in the project area. A project may move on to Step 2 or lapse at this stage, depending on the indications of property-owner support for the project concept.</p>
Step 2 - Support Vote 1	<p>The purpose of the support vote is to determine if there is sufficient community support to proceed to detailed project-planning and costing. The vote is conducted through a mail-in ballot system. The voting package that is sent to all property owners in the proposed project area includes information on the service proposal including the estimated project costs and the amount of any planning deposit that may be required. If applicable, property-owners will also be asked to vote on their preferred service provider. <i>Each property is entitled to one mail-in ballot. Approval by a special majority of 65% of those who respond is required to take the project to Step 3.</i></p>
Step 3 - Detailed Planning & Costing	<p>Detailed planning and costing for community-endorsed projects begins once the planning deposit has been paid. The service provider, working with Community Services, will prepare a project service plan and budget. The project cost-share charges to individual property-owners are then developed, showing both the lump-sum <u>or</u> annual local improvement charges that would apply. If the project plan or budget is substantially different from that which was presented during the Support Vote, the property-owners may be given an additional opportunity to further review the reasons for the difference prior to Vote 2.</p>
Step 4 - Approval Vote 2	<p>Following confirmation that the Yukon government will finance the proposed project, a formal vote of all property owners in the proposed project area is taken to confirm the community's approval to proceed with the project. The mail-in voting package includes information on the detailed project proposal and the related charges for individual property-owners. <i>Each property is entitled to one mail-in ballot. At least 65% of the property owners in the proposed project area must vote in favour of the project for it to proceed to Step 5.</i></p>
Step 5 - Installation	<p>The selected service provider installs the new system.</p>
Step 6 - Payment	<p>Once the services have been installed and the final costs are known, local improvement charges are assigned to all properties in the project area except for those where the owners are paying for their share through a lump-sum payment. See Financing for further details.</p>