



April 24,2026

Good Morning members of the Committee on Disaster Recovery, Infrastructure and Planning. I want to thank Senator James for her kind invitation to provide testimony to all of you, and I want to thank Senator Lewis for proposing this C-PACE legislation. It really is exciting to be able to participate in a pro-business legislation that does not ask for any Government or tax payer funding, and increases opportunities for commercial borrowers in the US Virgin Islands, as well as banks locally and nationwide that want to participate in the C-PACE program.

I have been making commercial loans in the US Virgin Islands since 2004. One thing that happens time and again (in the USVI and stateside) is that loan applicants do not have enough personal equity to put into their projects. Typically, on a new construction project, a lender wants to see 20-40% cash equity from the applicant, and the lender will lend the balance of the total project cost. When the total project cost is millions of dollars, it's very difficult for an applicant to have the required equity. The result is usually that the applicant takes several years to acquire the funds, and by then the total project cost has increased significantly, so they still don't have enough funds. Or, they have to take on equity partners, and then the local Virgin Islander ends up sharing ownership with stateside or international partners. C-PACE changes all of this, and allows local borrowers to retain 100% ownership in their projects.

With C-PACE, any energy-efficient improvements in a project can be financed, typically up to 30% of a total project cost, and it's considered equity by the lead-lender. Therefore, an applicant can actually come up with less equity funds, and the C-PACE debt will be counted as additional equity. This allows a project to get built now, eliminating a future rise in total project cost, and eliminating outside investors. Here's a simple example:

	<u>Without C-PACE</u>	<u>With C-PACE</u>
Total Project Cost:	\$20 Million	\$20 Million
Required Equity:	\$4 Million	\$2 Million
Lead Lender Loan:	\$16 Million	\$12 Million
C-PACE Loan:	\$0	\$6 Million



As one can see in this example, the applicant derives tremendous benefit- having to come up with \$2 Million less in actual equity, and moving forward quickly with their project. And in turn we have secured local construction jobs, and then permanent jobs that the project creates, and property values increase.

Please note that C-PACE is almost always utilized in larger projects, as smaller projects of \$100,000 to \$5,000,000 are typically funded by SBA guaranteed loans, or SSBCI guaranteed loans, or conventional lending. Projects over \$5,000,000 to \$25,000,000 are almost always funded by USDA guaranteed loans or conventional funds. With C-PACE typically utilized for \$20,000,000 and more, what we are doing is giving local borrowers another “tool in the toolbox”, to have C-PACE work alongside with a lead lender and make a project happen. Getting projects done is the agenda, as commercial projects equal jobs, and jobs create prosperity for all.

It is also important to note that virtually anything in a project that equates to energy efficiency qualifies for C-PACE. This includes hurricane resiliency work, such as reinforced roofing, windows, water barriers, wall reinforcement, and storm shutters. One can see how all of this is a necessity here in the Virgin Islands.

C-PACE is an exciting program that has helped countless projects come to fruition, while enabling applicants to retain ownership and become job creators, which is the final positive result for all.

Thank you again for your consideration of this valuable legislation. Your approval is a great asset to the business community.

Sincerely,

*Michael C. Sammartino*

Michael C. Sammartino  
President

