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GERS Seeks Zoning Changes Approval For Construction of New Hotel in St. Thomas at Havensight Mall

Business / **Published On March 17, 2022 04:57 AM /**

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Concept of proposed GERS hotel to be developed on the property of the Havensight Mall, which is owned by the pension system. By. GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

The Government Employees' Retirement System on Wednesday made two zoning requests — both of which were endorsed by the Department of Planning and Natural Resources — for a new five-story, 125-room brand-name hotel on the property of the Havensight Mall which is owned by the pension system.

GERS Administrator and CEO, Austin Nibbs, argued during a Committee of the Whole hearing Wednesday that the development would not only benefit the developer, Shaun Miller, a well known and respected businessman and [owner of Standard Aviation](#), but also Havensight Mall tenants, the surrounding community and most importantly GERS.

The zoning requests seek changes from waterfront-industrial to residential-medium density for Parcel Nos. 2 and 4 Estate Thomas, Nos. 6B and 6F New Quarter, St. Thomas.

“This development will not only be a boost to the economy of the Virgin Islands and the GERS portfolio, but also a game-changer for the Havensight Mall tenants,” said Mr. Nibbs, who reminded the committee that it's been more than 30 years since the construction of a new hotel on St. Thomas.

When pressured by Senate President Donna Frett-Gregory to explain why GERS believes the partnership with the developer is a positive collaboration, Mr. Nibbs said it's all aimed at increasing revenue for the pension system.



Concept design of the GERS hotel project on the Havensight Mall property, which is also owned by GERS. (Credit: GERS)

“We are trying to restore our revenue. Ten years ago the mall used to gross \$9 million per year before the hurricanes [of 2017]. It went down to \$5 million... Right now we are projecting this year to collect \$3.9 million; our goal is to bring it back up to that \$9 million,” he said in an effort to convince lawmakers that an approved vote for the rezoning would bring new economic activity to the territory.

“There is going to be spill-off to the tenants and the tenants have to pay our rents. If they get more income, they will be able to pay our rents,” he said while supporting the developer’s argument that the mall does not have to close at 8:00 p.m.

“Our goal is to keep those hotel guests in the mall ...this mall was the best investment the GERS ever had and we want to bring it back up to gross those \$9 million and have a net of maybe \$4 million,” Mr. Nibbs continued. “Those net goes into the system to pay benefits,” he added before telling the committee that there is a non-disclosure agreement between GERS and the developer, and as a result he was unable to publicly discuss certain information without the consent of the developer.

However, Senator Janelle Sarauw was quite unhappy and disappointed that projected financial benefits were not presented publicly so as to give the community an understanding of the economic impact of the project. She explained that presenting financial projections such as income tax to be gained, or the number of persons who will be employed from demolition to construction and operation of the hotel, are important figures to help lawmakers assess the overall impact of such a project.



Warehouse Demolition Project
Parcel No. 2 and No. 4

GERS's original plan was to demolish warehouse structures on parcels 2 and 4 of the mall and construct spaces for high-end stores.
(Credit: GERS)

The initial plan for parcels 2 and 4 started over five years ago. The plan was to demolish the warehouses and build structures for high-end stores with apartments on top of the stores. However, approximately nine months ago, GERS received a proposal from Mr. Miller for the construction of a five-story 125-room brand-name hotel on the Havensight Mall property. Following a series of meetings, the board approved the plan but the final lease agreement is still under negotiation.

The total cost of the project or the international brand it will be associated with was not disclosed Thursday.

Senators cannot vote on measures during Committee of the Whole hearings, however action on the zoning changes is expected during the next legislative session.

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