

BH3 discusses development plan for Watson Island



Greg Freedman of BH3 Management on Watson Island in Miami.

By [Brian Bandell](#) – Real Estate Editor, South Florida Business Journal
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BH3 Management and Merrimac Ventures are working on development plans for Watson Island in Miami that will include hotels, restaurants, residential units and marine uses.

The island along the McArthur Causeway between downtown and Miami Beach is one of the most prominent development sites in Miami, with views of Biscayne Bay in all directions. The process to develop the vacant land on the south side of the island dates back about two decades to a lease with the city.

In April, Fort Lauderdale-based BH3 Management and Fort Lauderdale-based Merrimac Ventures [acquired the lease](#) on 10.7 acres of the city's Watson Island property from Flagstone Island Gardens, the original leaseholder. The property currently has the Yacht Haven marina, which is part of MarineMax, and a restaurant. However, the upland buildings of both the marina and the restaurant are in temporary structures as the major development approved for the land nearly two decades ago hasn't moved forward.

[Greg Freedman](#), co-CEO of BH3 Management, said they are working with Coral Gables-based Nichols Architects to finalize the site plan for the property. He said it would stick within the parameters of what the city originally approved in the lease: up to 500 hotel rooms in two buildings, up to 105 residential units technically considered timeshares, up to 221,000 square feet of leasable retail/commercial space, up to 1,500 parking spaces,

and up to 45,000 square feet of maritime uses, including a museum, a fish market and a permanent marina building for Marine Max. The developer is also obligated to construct a 100-foot-wide public promenade along Biscayne Bay that runs for 1,000 feet.

Freedman said the key words in the development guidelines are “up to”, as they probably won’t build to the maximum density in all of those property types.

Freedman compared it to the Prive Aventura condo that BH3 completed, as it was on an island and they didn’t build to the maximum density on that site. BH3 also overcome lawsuits from neighboring residents to complete that development.

“We like challenging projects,” Freedman said. “It took us a while to get this deal done as it had a long history and a litany of documents to go through.”

The developers are modernizing the design of the project to account for things not envisioned 20 years ago, such as drop-off areas for ride sharing. The two hotels would include one luxury, 5-star hotel rising 5335 feet and including the residential units on the top floors and the other hotel carrying a “lifestyle” brand and rising 375 feet. There would be three levels of retail built into the parking garage.

While the residential units are called timeshares in the lease, Freedman said they won’t be sold as traditional timeshares. The developer is allowed to sell them to individual buyers, he said.

Freedman said they are in discussion with hotel brands, as well as prospective restaurant tenants. This would be one of the few places in Miami where boaters could dock and eat, he said. However, they are still trying to determine the right amount of hotel rooms and restaurants/retail to build on the site.

Freedman said BH3 partnered with Merrimac for Watson Island because he’s known its principals, brothers [Dev Motwani](#) and [Nitin Motwani](#), for over a decade and they have a great skill set for hospitality and retail projects.

“We always wanted to do something together and this was the right opportunity,” Freedman said.

The developers already applied for permits for the site work, including improvements to the seawall and installing infrastructure. Major construction will probably start in 18 months to two years, Freedman said.

While some people might be concerned about sea level rise and storm surge while developing on an island in Biscayne Bay, Freedman said this property is actually nine feet above sea level because it’s a man-made island, so the hotel lobby would start at 35 feet above sea level. There won’t be any underground structures, he added.

“The goal is to create a destination for locals and visitors, one that is commercially viable given how the market has evolved over the past 20-plus years,” Freedman said.