



**INTEROFFICE MEMO
PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT**

DATE: November 7, 2025

TO: James Corriveau, ZBA Chairperson

FROM: Geoffrey Urda, Senior Planner

SUBJECT: 545 Arsenal Street
Parcel Number 9-01-124.000
Zoning – Urban Mixed Use
Petition for a Use Variance to allow a Marijuana Dispensary, Retail use
File #610

UPDATE (November 7, 2025): At the October 15, 2025, Zoning Board of Appeals meeting, the board requested that the applicant provide evidence specifically addressing each of the four hardship tests, with an emphasis on the “No Reasonable Return” test.

The applicant has subsequently prepared a narrative and submitted it for board members’ consideration, addressing the hardship tests one-by-one. The applicant has attached a copy of the 2024 profit and loss statement that the current owner filed with the IRS for the existing use (Bar/Restaurant) and four web links related to the existing property being listed for sale.

The applicant has also attached a real estate listing for an available property for lease in the Commercial District, where the Zoning Ordinance allows Retail Marijuana Dispensaries, to assert that it contains more square footage than he could use or afford.

----- ORIGINAL TEXT FROM OCTOBER 3, 2025 MEMO -----

This petition, presented by Brandon A Blount, is for a Use Variance to allow a Marijuana Dispensary, Retail use in an Urban Mixed Use (UMU) District. According to the Use Table contained in Section 310-18 of the City Zoning Ordinance, a Marijuana Dispensary, Retail use is only allowed in the Commercial District.

The subject property is the site of the Bad Apple Saloon, a Bar/Restaurant/Café/Brewpub use that has occupied the parcel since 2020. The building had previously been a nightclub before the Bad Apple moved in.

The entire 500 block of Arsenal Street on both sides (as well as both sides of the 400 and 300 blocks) is zoned Urban Mixed Use. The UMU-zoned parcels that front on Arsenal Street on the 500 block collectively abut a Residential District to the rear (south), with the Residentially zoned parcels fronting on Stone Street and Meadow Street South respectively.

This Variance Request constitutes an Unlisted Action and requires the ZBA to complete Part 2 of the SEQR Short EAF.

Finally, as the proposed action occurs within 500 feet of the Right-of-Way (ROW) of a State-Maintained road, it will require Jefferson County review pursuant to Section 239-m of New York State General Municipal Law. Staff will refer the application to the County, and it will appear on the agenda for the Tuesday October 28, 2025 Jefferson County Planning Board meeting. The ZBA will need to wait until after the County Planning Board makes a determination before voting on the requested Variance.

cc: Brandon A. Blount
Shannon Exford
Dana Aikins, City Code Enforcement Supervisor
Tiffany Ponce, Court Reporter
ZBA Members
File

(i) the applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence;

See Attached documents including the 2024 tax filing for Bad Apple Saloon, as well as the printout for the only currently available space within the commercial district.

(ii) the alleged hardship relating to the property in question is unique, and does not apply to a substantial portion of the district or neighborhood;

Being that this property is currently zoned UMU, there are some limitations as to what businesses can and cannot take place at this location, which is limiting the sale options. Also, the listed price as well as the current use of the property is limiting to other industries that may find use of the property. Any use other than a bar or restaurant is going to require significant renovations.

My intention is to keep a lot of what is currently there and use it as part of the theme for the retail space. The most significant portion of the work I will be doing in the location is installing the security measures needed to make sure that if someone does break in, the likelihood of them obtaining any cannabis product will be minimal, as well as give the authorities time to respond to the alarms. This is all part of the money set aside for purchase of the property and will likely cost upwards of \$50,000.00 just for the security implementation plans

There are other locations, such as the bar/nightclub across the street from this location which has sat and remained empty for quite some time.

I would also like to add that historically bars and restaurants are distinctly prone to failure within their first five years.

About 17% of restaurants fail in their first year, and approximately 50% fail within five years. While older, widely cited statistics suggested higher failure rates, more recent data indicates that around 17% of new restaurants close in the first year, with the 5-year failure rate at approximately 50%.

- **First Year:** Around 17% of restaurants fail in the first year.
- **Five Years:** Approximately 50% of restaurants close within their first five years.
- **Ten Years:** Roughly 65% of restaurants fail within the first ten years.

(iii) the requested use variance, if granted, will not alter the essential character of the neighborhood; and

As far as altering the essential character of the neighborhood. Directly east on Arsenal Street, within ¼ of this location, there are multiple businesses. Including a liquor store, a sports bar, a tattoo parlor, a massage parlor, a smoke/vape shop, a gas station. The lots to the west of this location are currently vacant lots, then the bridge, from there is the start of the commercial district.

As far as the residential parcels behind the location, currently there is an 8-foot-tall stockade fence separating the parking lot from the residential properties.

PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT

NOV 06 2025

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CITY OF WATERTOWN, NY

By converting this location into a retail space, there will be no onsite consumption of cannabis nor alcohol, which currently alcohol is allowed to be consumed, and patrons can then get into their vehicles and drive.

We will not have late night or extended hours beyond 9pm. Thereby reducing traffic even on the weekends in and out of the location, with no late-night drinking, no late-night parties, and no extra noise beyond 9pm which is when I intend to have the shop closed.

Lastly, I will have the property secured and gated, thereby reducing any use of the location beyond hours of operation.

(iv) the alleged hardship has not been self-created.

See attached document showing the only currently available space for lease within the currently zoned commercial district. This location was formerly occupied by Big Lots. This location is far too large for any kind of dispensary operation and far exceeds the available funds I have for procuring a location for a retail dispensary. On the east side there is a building for sale, which used to be a dentist office. This location at 140 Eastern Boulevard is listed for \$400,000.00, however, it is also within the 500ft proximity zone that is outlined in the MRTA (Marijuana Regulatory Tax Act). Which excludes this location from available use as a retail cannabis dispensary.

The only other location on the West Side that is available for purchase is the building that was occupied by AutoZone. The asking price for this location is \$1,500,000.00. It is also way too large for what I would need and absolutely exceeds the amount of available funds for purchasing a property.

As evidenced by the available locations as well as the cost prohibitive nature of these properties the hardship is not self-created, it's created by the zoning ordinance requirements placed on Licensed Cannabis Dispensaries, where it states that they are only allowed to operate within the commercially zoned districts of the city.



MLS#: **S1589202** Commercial/Industrial Incomplete
545 Arsenal St VR Pricing: **No** List Price: **\$399,000**
County: **Jefferson** Zip: **13601**
Town/City: **Watertown-City** Pstl City: **Watertown** Cross St: **Meadow Street**
Area#: **Watertown-City-221800**
Subdivision:
TxMap#: **221800-009-000-0001-124-000-0000** Acres: **0.46**
Addl TxMap#: Lot Front: **100**
City Nghbrhd: Lot Depth: **200**
School Dist: **Watertown** Lot Shape: **Irregular**
Type of Sale: **Normal** Lot #: **124**
High School: Lot SqFt: **20,000**
Middle School: Gr SqFt: **5,383**
Elem School: Trans Type: **Sell**
State: **NY - New York** # Attach: **# Photo: 50**
Year Built: **1914**
Yr Blt Desc: **Existing**

Listing Office Information

Offc Name: **Marble Key Realty LLC (MK01)** Offc Lic#: **10991232559**
Offc Addr: **1555 State Street, Suite 1** Offc Phone: **315-783-0191**
Watertown, NY 13601 Offc Fax:
LA Name/ID: **Zachary Ludemann Perini (PERIZAC)** LA Cell #: **315-794-5656**
LA Email: **zachary@marblekey.com** LA Acpts Txt: **Yes**
LA Dir Phone/Fax: **315-794-5656** LA License #: **10401373888 (NY)**
Owner Name: **Clueless Ventures LLC**
Owner 2:
Owner Addr: **812 State St**
Watertown, NY 13601
Seller Attorney:
Listing Type: **Exclusive Right To Sell** Spc Conditions: **No** Exclusions:
Service Type: Seller Atty Email:
Negotiation w/: **Listing Broker Only** List Date: **02/21/2025**
Show Appt/Desc: **Online; Online Showing Service** Expire Date: **08/21/2025**
Private Rmrks: **Please use ShowingTime for all Showings, Inspections and Appraisals. Square footage obtained from Public Records. Information taken from public records are deemed reliable but not guaranteed** DOM: **0**

Branded VT:
Unbranded VT:
Aerial Drone Video:
Virtual Tour 3D:
Ad Headline:
Ad Copy:
Sub Board: **Jefferson-Lewis Board**
Attribution Contact:

General Information

Category: Tot Units: Office SqFt: **3,741**
Sale Incl: **Land and Building** # Stories: **2.0** Manuf SqFt:
Type Bldg: **Bar /Tavern, Other - See Remarks, Restaurant /** # Bldgs: **1** Res SqFt:
Food, Retail, Service, Wholesale
Bus Name: Franchise: **No** Retail SqFt:
Bus Type: Avail Prkg: **45** Leased SqFt:
Elec Svc: Mx Ceil Hgt: Whrse SqFt:
Prop Use: **Conforming, Grandfathered** Mx OH Dr: Vacant SqFt:
Location: **Business District** On Wtrfrt: **No**
Floor: **Carpet, Linoleum/Vinyl** Name:
Island/Name: **No**
Parking: **45/Common, Fenced, Off Site, Surfaced** Basement: **Partial**
Zoning: **C** Loading:
Water Related Features: Water Frontage Access:
Public Remarks: **"Prime Commercial Restaurant/Bar Space" The ever expanding owners have new plans which require a larger space so let that be your opportunity to own a restaurant, bar, or nightclub on one Watertown's main corridors, the bustling Arsenal Street. This property boasts high visibility and well established customer traffic which will benefit both new and experienced entrepreneurs. Close proximity to hotels, shopping, Route 81 and historic downtown. A stunning turn-key bar and casual dining space, housed in a beautiful limestone building! Completely gutted in 2018 and additional upgrades in 2020. This well maintained property features custom floors, new wiring, an upgraded electrical panel, new forced air furnace and central air, new exterior sign panels, *fully equipped kitchen with an ANSUL system and other cosmetic improvements. With parking for 45+, a fenced back lot, and an enclosed back patio area, the possibilities are endless. The property has a full basement and upstairs space with a bathroom, storage, office and bonus space opportunity for other use! Don't miss out on this rare opportunity to own a versatile, high-visibility commercial space in an ideal location with an already positive reputation.**
Directions: **Heading West on Arsenal Street, building will be just before the bridge on your left. Parking in back.**

Utilities Information

HVAC Type: **Forced Air, Wall Furnace** Sewer/Water: **Public Sewer Connected**
HVAC Fuel: **Gas** Boiler Type:
Electric: **Available, Connected** Insulation: **Unknown**
Energy Eqpt: **None** Septic Location:
Type of Well: **None** Well Location:
Grn Bld Vr Type:
Grn Indoor Air Q:
Grn Water Cnsvr:

Additional Information

Living Qtrs: **No**
Available Docs: **Equipment List, Liquor License**

Bldg Misc:

Public Trans:

Total # Residential Units:

Studio:

1 Bed:

2 Bed:

3 Bed:

Docks:

Rooms:

Trk Bays:

Employees:

Yrs Estb:

Seat Cap:

of Leases:

Constr Mtrls:

Roof:

Other - See Remarks

Accessibility:

Seller Desires:

Financial Information

Possible Fin: **Cash, Commercial Loan, Conventional**

1st Mtg Bal: **\$0**

2nd Mrt Bal: **\$0**

Escrow Agt/Bnk: **TBD/TBD**

Gross Annl Inc:

Annl Op Exp:

PriceChg Time:

Inc/Exp Info:

Op Exp Incl:

None

Other - See Remarks

Equity: **\$399,000**

Tax Info:

Assess Val: **\$196,800**

Annl Spc Assess: **\$0**

Net Op Income:

Town/Cnty Tax: **\$1,452**

City/Vil Tax: **\$1,851**

School Tax: **\$2,162**

Total Taxes: **\$5,465**

Orig. List Price:

Display & Occupancy Information

Possession:

At Closing

Internet:

Yes

Inet St Adrs: **Yes**

IDX: **Yes**

Lockbox Serial #:

AVM: **No**

Blog: **No**

Realtor.com: **Yes**

Vacancy Rate:

MLS#: **S1589202**

Kaitlin Delles

NY Licensed R.E. Salesperson

Marble Key Realty LLC

1555 State Street, Suite 1 Watertown, NY 13601

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SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Business
(Sole Proprietorship)

Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065.

Go to www.irs.gov/ScheduleC for instructions and the latest information.

OMB No. 1545-0074

2024

Attachment
Sequence No. **09**

Name of proprietor

SHANNON E DONATO

Social security number (SSN)

722511

A Principal business or profession, including product or service (see instructions)

RESTAURANT

B Enter code from instructions

722511

C Business name. If no separate business name, leave blank.

BAD APPLE SALOON LLC

D Employer ID number (EIN) (see instr.)

85-2452721

E Business address (including suite or room no.)

545 ARSENAL STREET

City, town or post office, state, and ZIP code

WATERTOWN, NY 13601

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)

G Did you "materially participate" in the operation of this business during 2024? If "No," see instructions for limit on losses

☒ Yes ☐ No

H If you started or acquired this business during 2024, check here

☐ Yes ☐ No

I Did you make any payments in 2024 that would require you to file Form(s) 1099? See instructions

☒ Yes ☐ No

J If "Yes," did you or will you file required Form(s) 1099?

☒ Yes ☐ No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	<input type="checkbox"/>	1	405,407
2 Returns and allowances		2	0
3 Subtract line 2 from line 1		3	405,407
4 Cost of goods sold (from line 42)		4	207,905
5 Gross profit. Subtract line 4 from line 3		5	197,502
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	103,694
7 Gross income. Add lines 5 and 6		7	301,196

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	3,589	18 Office expense (see instructions)	18	483
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	10,607	20 Rent or lease (see instructions):	20a	
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20b	21,600
12 Depreciation	12		b Other business property	21	4,878
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	11,630	22 Supplies (not included in Part III)	22	1,452
14 Employee benefit programs (other than on line 19)	14		23 Taxes and licenses	23	27,160
15 Insurance (other than health)	15	9,380	24 Travel and meals:		
16 Interest (see instructions):			a Travel	24a	1,310
a Mortgage (paid to banks, etc.)	16a		b Deductible meals (see instructions)	24b	
b Other	16b	7,309	25 Utilities	25	26,836
17 Legal and professional services	17	942	26 Wages (less employment credits)	26	242,303
			27a Other expenses (from line 48)	27a	35,730
			b Energy efficient commercial bldgs deduction (attach Form 7205)	27b	

28 Total expenses before expenses for business use of home. Add lines 8 through 27b	28	405,209
29 Tentative profit or (loss). Subtract line 28 from line 7	29	(104,013)

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.

Simplified method filers only: Enter the total square footage of (a) your home:

and (b) the part of your home used for business: . Use the Simplified

Method Worksheet in the instructions to figure the amount to enter on line 30

31 Net profit or (loss). Subtract line 30 from line 29.

• If a profit, enter on both **Schedule 1 (Form 1040)**, line 3, and on **Schedule SE**, line 2. (If you checked the box on line 1, see instructions.) Estates and trusts, enter on **Form 1041**, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

• If you checked 32a, enter the loss on both **Schedule 1 (Form 1040)**, line 3, and on **Schedule SE**, line 2. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on **Form 1041**, line 3.

• If you checked 32b, you must attach **Form 6198**. Your loss may be limited.

32a ☒ All investment is at risk.

32b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2024

Name(s)

SSN

SHANNON E DONATO

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory:	a <input checked="" type="checkbox"/> Cost	b <input type="checkbox"/> Lower of cost or market	c <input type="checkbox"/> Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	7,000	
36	Purchases less cost of items withdrawn for personal use	36	214,905	
37	Cost of labor. Do not include any amounts paid to yourself	37		
38	Materials and supplies	38		
39	Other costs	39		
40	Add lines 35 through 39	40	221,905	
41	Inventory at end of year	41	14,000	
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	207,905	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month/day/year)		
44	Of the total number of miles you drove your vehicle during 2024, enter the number of miles you used your vehicle for:		
	a Business	b Commuting (see instructions)	c Other
45	Was your vehicle available for personal use during off-duty hours? <input type="checkbox"/> Yes <input type="checkbox"/> No		
46	Do you (or your spouse) have another vehicle available for personal use? <input type="checkbox"/> Yes <input type="checkbox"/> No		
47a	Do you have evidence to support your deduction? <input type="checkbox"/> Yes <input type="checkbox"/> No		
	b If "Yes," is the evidence written?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26, line 27b, or line 30.

Statement #3

48	Total other expenses. Enter here and on line 27a	48	35,730
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Federal Supporting Statements

2024 PG01

Name(s) as shown on return

Tax ID Number

SHANNON E DONATO

SCHEDULE C - PART V - OTHER EXPENSES

Statement #3

<u>DESCRIPTION</u>	<u>AMOUNT</u>
AMORTIZATION	40
SEASONAL AND NON SEASONAL DECOR	260
SECURITY	541
POS SERVICES FEES	2,762
KARAOKE	12,375
JUKEBOX EXPENSE	12
MERCHANT CC PROCESSING FEES	18,481
MENU COPIES	95
CATERING SUPPLIES	159
SMALL EQUIPMENT AND TOOLS	391
DUES AND SUBSCRIPTIONS	341
BANK SERVICE CHARGES	273
TOTAL	35,730

SCHEDULE C - PART V - OTHER EXPENSESPG01
Statement #4

<u>DESCRIPTION</u>	<u>AMOUNT</u>
AMORTIZATION	230
MERCHANT FEES AND POS	27,577
BANK FEES	1,268
LOTTERY FEES	153
POS FEE	172
CIGAR BAR	136
DECOR	335
UNIFORMS	3,364
ENTERTAINMENT	1,060
TOOLS AND SMALL EQUIPMENT	161
SECURITY	614
SUBSCRIPTIONS	2,333
TOTAL	37,403

FOR LEASE | RETAIL SPACE

1125 Arsenal Street, Watertown, New York



COMMERCIAL REAL ESTATE SALES | LEASING | CONSULTING | DEVELOPMENT | MANAGEMENT



Patrick V. Agen
Licensed Associate Real Estate Broker
315.736.1555 x 304
pvagen@PaviaRealEstate.com

PROPERTY HIGHLIGHTS

Available Space: 30,700 ± SF

Zoning: Commercial

Tax Parcel ID: 9-16-121.00

Lease Price: TBD

Lease Type: NNN

CAM/INS/Taxes: \$.97/\$.76/\$1.12 SF (\$2.85)

Comments: This subject property is a big box formerly occupied by Big Lots. Located on the regional retail corridor on Watertown's Arsenal Street. Surrounded by regional and national retailers. Public water, gas and electric. Owner may sub-divide.

READY TO MAKE A DEAL? CLICK HERE NOW!



5 Oxford Road
New Hartford, New York 13413

151 Northern Concourse
Syracuse, New York 13212

PaviaRealEstate.com
MAIN: 315.736.1555

FOR LEASE | RETAIL SPACE

1125 Arsenal Street, Watertown, New York



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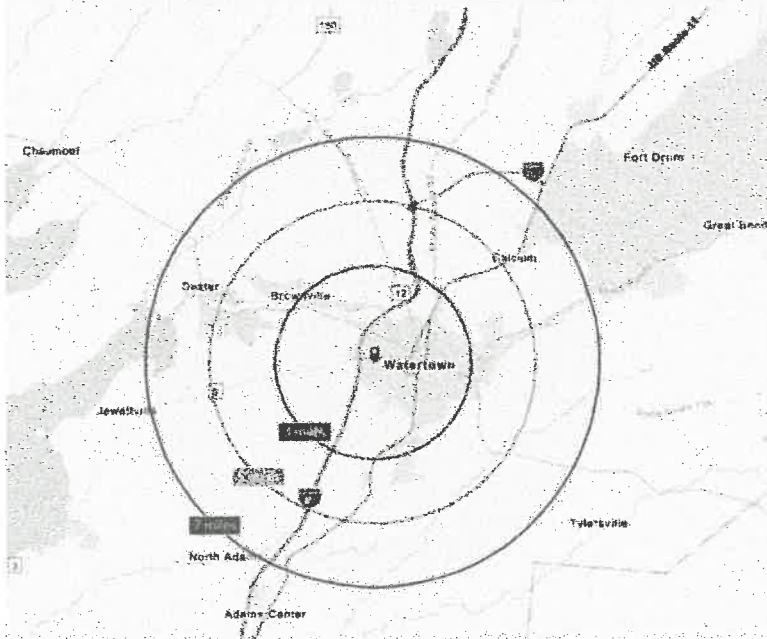


LATITUDE

43.97411

LONGITUDE

-75.93898



DEMOGRAPHICS

By Radius	3 Mile	5 Mile	7 Mile
Population	27,255	34,651	44,463
Households	12,386	15,217	19,388
Median HH Income	\$46,270	\$50,244	\$52,384
Daytime Population	39,532	45,700	52,684
Businesses	1,702	1,965	2,170
Employees	25,534	28,510	30,688

SOURCE: ESRI Report 4/28/2025

TRAFFIC COUNTS

Roadway	Volume Count
Arsenal Street	21,755 AADT



5 Oxford Road
New Hartford, New York 13413

151 Northern Concourse
Syracuse, New York 13221

PaviaRealEstate.com
MAIN: 315.736.1555