



**INTEROFFICE MEMO
PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT**

DATE: November 7, 2025

TO: James Corriveau, ZBA Chairperson

FROM: Geoffrey Urda, Senior Planner

SUBJECT: 848 Coffeen Street
Parcel Number 8-21-311.000
Zoning – Neighborhood Mixed Use
Petition for a Use Variance to allow a Marijuana Dispensary, Retail use
File #611

UPDATE (November 7, 2025): At the October 15, 2025, Zoning Board of Appeals meeting, the board requested additional information regarding the “No Reasonable Return” hardship test. The applicant subsequently submitted revised financial projections that he posits are more conservative for the board members’ consideration.

The applicant has also submitted new material that elaborates on the expenditures and revenue for the current use (Two-Unit Dwelling) and evaluates five combined proration and utility payment scenarios.

Finally, the applicant has submitted a further analysis of the dimensions and built characteristics of the subject parcel compared to other NMU-zoned parcels on Coffeen Street and elsewhere. The applicant’s intent with these additional materials is to address the hardship test that requires the applicant to prove that a hardship is unique to the subject parcel and does not apply to a substantial portion of the district or neighborhood.

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

This petition, presented by Michael Sboro, is for a Use Variance to allow a Marijuana Dispensary, Retail use in a Neighborhood 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 current use/occupancy status is currently unclear to Planning and Code Enforcement Staff. However, materials submitted by the applicant as part of Exhibit E indicate that the applicant is actively paying National Grid bills, as well as municipal water and sewer bills for utility service on the site and the applicant is actively collecting rent for at least part of the building.

The applicant shall be prepared to clarify the existing use/occupancy of the building to the Zoning Board of Appeals.

The site was previously occupied by Sassy's Hair Salon, which occupied the building from approximately 2004 – 2010, after which Sassy's relocated across the street to 843 Coffeen Street, where it remains today.

The subject parcel bounds other NMU parcels on either side and to the rear. While the majority of Coffeen Street is also zoned NMU, there are three parcels in the vicinity zoned Parks & Open Space (Kostyk Field, Jefferson County Fairgrounds, Watertown Municipal Arena). There is also a lone Residentially zoned parcel across Coffeen Street from the subject parcel.

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

cc: Michael Sboro
Dana Aikins, City Code Enforcement Supervisor
Tiffany Ponce, Court Reporter
ZBA Members
File

Preliminary Exhibits – ZBA Use Variance #611 (848 Coffeen Street)
November 6, 2025



PREPARED FOR

City of Watertown Zoning Board of Appeals
245 Washington Street, Watertown, NY 13601

Prepared by:
Bud Bound Ventures, LLC



Submission Overview – For ZBA and Planning Department Review

Case No.: ZBA Use Variance #611

Property: 848 Coffeen Street, Watertown, NY

Applicant: Bud Bound Ventures, LLC ([REDACTED] , Owner)

Submission Date: November 6, 2025

This packet contains preliminary exhibits prepared for review by the City of Watertown Zoning Board of Appeals and Planning Department prior to the continued hearing on November 12, 2025.

The enclosed materials are being provided for early internal review only to assist Board members in becoming familiar with select exhibits before the full Use Variance Clarification Submission is presented at the meeting.

A complete and compiled version of the Clarification Submission—containing all written responses, updated analyses, and additional exhibits—will be distributed in printed handout format during the November 12 meeting.

Redaction Notice:

Per Planning Department direction, **pages 3, 4, 5, and 13** of this document are to be **redacted from the public version** prior to posting or distribution.

Thank you for reviewing these materials in advance as part of the Board’s preparation for continued discussion on Use Variance Application #611.

Submitted by:

[REDACTED]
Bud Bound Ventures, LLC
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Introductory Statement

City of Watertown – Zoning Board of Appeals

Use Variance Clarification Submission

(Follow-Up to October 15, 2025 Hearing)

Case No.: ZBA Use Variance #611

Property Address: 848 Coffeen Street, Watertown, NY 13601

Parcel ID: 8-21-311.000

Zoning District: Neighborhood Mixed Use (NMU)

Applicant:

Bud Bound Ventures, LLC

[REDACTED]

[REDACTED]

Watertown, NY 13601

Email: [REDACTED]

Phone: [REDACTED]

Submission Date: November 12, 2025

Introductory Statement

This clarification packet supplements the applicant’s original submission for Use Variance Application #611 (848 Coffeen Street) and addresses all outstanding questions raised during the October 15, 2025, public hearing and in Planning Staff correspondence dated October 22 and November 3, 2025.

The purpose of this document is to provide concise written clarifications, updated financial exhibits, and supporting evidence for each of the four hardship tests under New York General City Law §81-b. It also includes revised materials requested by the Board to assist in their continued review at the November 12, 2025, meeting.

The applicant will reference this packet during oral presentation to guide the Board through each clarification in sequence.

[REDACTED]
Bud Bound Ventures LLC

[REDACTED]
[REDACTED]
Email: [REDACTED]

Phone: [REDACTED]

Date: November 12, 2025

To: City of Watertown Zoning Board of Appeals
c/o Geoffrey Urda, Senior Planner
Office of Planning & Community Development
245 Washington Street, Room 305
Watertown, NY 13601

Re: ZBA Case #611 – 848 Coffeen Street

Submission of Revised Exhibit C – Dispensary Pro Forma

Dear Members of the Board,

Please accept the attached **Revised Exhibit C – Dispensary Pro Forma (November 2025 Submission)** for inclusion in the record for **ZBA Case #611**.

This updated exhibit **replaces** the version submitted in October 2025 and reflects the clarifications requested during the October 15 hearing.

Key updates include:

- More conservative sales and expense assumptions based on regional competition.
- Addition of conversion and fit-out costs amortized over ten years.
- Clarified occupancy line item now showing total annual carrying costs for the owned property (taxes, insurance, utilities, maintenance, and capital reserve).
- Presentation framed to demonstrate a modest and sustainable property-level return (approximately 8 percent on fair market value), consistent with the “reasonable return” standard of General City Law § 81-b.

Thank you for accepting this updated document for the Board’s review at the November 19 meeting.

Respectfully submitted,

[REDACTED]
Bud Bound Ventures LLC

Revised Exhibit C: – Dispensary Pro Forma (Stabilized Years 3–4)
Replaces Page 14 on Initial October 15th Packet.

(Reflects conservative sales, regional competition, and full fit-out amortization.)

Category	Annualized Amount (\$)	Notes / Assumptions
1. Revenue	██████████ ██████████	Reflects conservative Watertown market share, competition from Pamela & regional dispensaries.
2. Cost of Goods Sold (45%)	██████████ ██████████	Average wholesale cost mix from OCM-compliant vendors.
3. Payroll (14%)	██████████ ██████████	10–12 full-time equivalents, includes compliance manager.
4. Occupancy (Carrying Cost)	██████████	Includes taxes, insurance, utilities, maintenance, and capital reserve for building use.
5. Security / Compliance / Insurance	██████████	Required 24/7 cameras, safes, system audits, & insurance premiums.
6. Marketing / Admin / Miscellaneous	██████████	Website, advertising, accounting, office, and admin costs.
Total Operating Expenses	≈ ██████████ ██████████	70–72% of gross revenue.
Operating Income (EBITDA)	≈ ██████████ ██████████	Before §280E taxes and capital amortization.
Federal §280E Impact (~55%)	(██████████) ██████████	Federal disallowance of deductions under IRS §280E.
Conversion / Fit-Out Amortization	(██████████)	\$195,000 total investment amortized over 10 years.
Net Income (after tax & amortization)	≈ ██████████ ██████████	Net operating income before owner distributions.

Property-Level Return (Stabilized Year 3–4)

Metric	Value
Net Income (after tax & amortization)	≈ ██████████ (midpoint)
Fair-Market Property Value (2025 Roll)	\$ ██████████
Return on FMV	≈ ██████████

Meets Reasonable Return (6–10 %)? Yes

Revised Exhibit C: – Dispensary Pro Forma (Stabilized Years 3–4)
Replaces Page 14 on Initial October 15th Packet. CONTINUED

Note: The stabilized projection reflects Year 3–4 operations after ramp-up and capital recovery. The return shown represents property-level economic viability; remaining profit is allocated to working capital and reinvestment, not personal distribution.

Conclusion

This updated pro forma replaces the October 2025 version and provides a more conservative, realistic financial outlook for the proposed dispensary at 848 Coffeen Street.

Key revisions include:

- Lower revenue assumptions to reflect regional competition.
- Inclusion of full conversion and fit-out amortization.
- Reclassification of occupancy to include total annual carrying costs for the owned property.

The resulting **8 % return on fair-market value** meets but does not exceed the “reasonable return” standard under NY General City Law § 81-b, demonstrating that the variance enables economic viability rather than

This Revised Exhibit C – Dispensary Pro Forma is provided to help the Zoning Board and City staff understand the financial and operational framework of the proposed use.

Exhibit A: Nov 12th – Actual Income & Expense Summary with Source References

Page **5** of **13**

Permitted & Current Use: Two-Unit Dwelling

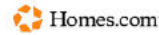
Category	Description / Source	Annual Actual (\$)	Reference / Proof
Income	Lower Unit \$800 × 12 months	██████████	Page 44 – Current Rent from 848 Coffeen
	Upper Unit – vacant / intermittent short-term use	████	Page 44 – Rental History Notes
Gross Scheduled Income		██████████	
Operating Expenses			
Insurance	Building policy (12 months) – declaration page on file	██████████	Exhibit D – Page 18
Taxes	City + County + School (2024–25 bills combined)	██████████	Exhibit D – Page 19
Utilities	Water/Sewer ██████████ • Security ██████████ ██████████ • Gas/Electric ██████████	██████████	Exhibit D – Pages 20–32
Maintenance	General Building ██████████ • Snow Removal ██████████ • Roof Amortization ██████████	██████████	Exhibit D – Pages 33–40
Total Expenses		██████████	
Net Operating Income (NOI)	██████ – ██████████ = (██████████) Loss		
Implied Return on Market Value	\$██████████ (2025 Full-Market Assessment) → -13.8 % Annual Return		

Notes:

- Figures reflect the same data presented in the applicant’s original Hardship Packet (p. 17 – Exhibit D).
- Page citations correspond to supporting documentation already filed with the Planning Department.
- This one-page summary is provided for ease of review for the Zoning Board of Appeals.

Exhibit C-3: Nov 12th - Massey St. and Bishop St. Comparables

Buy Rent Sell Agents Explore News



\$950 per month



409 S Massey St
Watertown, NY 13601

2 Beds	1 Bath	1,265 Sq Ft	4,480 Sq Ft Lot
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Highlights

- Porch
- Open Patio
- Laundry Room
- Forced Air Heating System

About This Home

Two bedroom downstairs apartment in a duplex located close to most amenities. Good size rooms, new flooring, and laundry hook ups. Each apartment has a separate driveway and a shared open porch. No Smoking inside, Pet may be possible with preapproval. Security Deposit due at lease signing.

Listing Agent

Lisa Levely
Listing by North Star Real Estate & Property Management
License #10401219498

Property Details

- Home Type**
Apartment
- Est. Annual Taxes**
\$1,641
- Year Built**
Built in 1900
- Lot Details**
3,480 Sq Ft
- Bedrooms and Bathrooms**
2 Bedrooms
1 Full Bathroom
- Laundry**
Laundry Room
Laundry on main level
- Parking**
Gravel Driveway
Off-Street Parking
- Utilities**
Forced Air Heating System
- Community Details**
Pets allowed on a case-by-case basis
- Listing and Financial Details**
Property Available on 10/6/25
Rent includes sewer, water
12 Month Lease Term
Tax Lot 126

\$1,000 per month



106 Bishop St
Watertown, NY 13601

3 Beds	1 Bath	1,222 Sq Ft	3,150 Sq Ft Lot
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Highlights

- Enclosed Patio or Porch
- Laundry Room
- Storage Room
- Forced Air Heating System
- Dogs and Cats Allowed

About This Home

This half-home duplex offers plenty of space with 3 bedrooms and 1 full bath, spread across both the upstairs and downstairs levels. Enjoy the convenience of washer/dryer hookups on site- located in the basement and a walk-up attic that provides excellent additional space for storage.

Located just minutes from Samaritan Medical Center, within the Watertown City School District, and a short drive to Fort Drum, this home is perfectly situated for easy living.

Water and sewer are included in rent. Pets may be considered with landlord approval and with a non-refundable pet fee. 1 year lease. Security and 1st months rent due at the time of lease signing. Contact your agent for a free application and to set up a viewing on this one today!

Listing Agent

Danielle Stover
Listing by North Star Real Estate & Property Management
License #10401280714
Listed on: 09/19/2025

Exhibit D: Nov 12th – Combined Proration & Utility Scenarios Table

Scenario Description	Snow Cost Applied to 848 (Share %)	Utility Model	Total Expenses (\$)	NOI (\$)	Return on FMV (\$134,250)	Notes
Actual (1 unit @ \$800, owner pays utils, full snow)	\$ 9,045 (100 / 0 split – 848 = 100 %)	Owner-paid	28,159	(18,559)	– 13.8 %	Verified 12-month actuals
Full Occupancy (2 units @ \$800, owner pays utils)	\$ 9,045 (100 / 0 split – 848 = 100 %)	Owner-paid	33,000	(13,800)	– 10.3 %	Reflects added utility load
Prorated Snow (70 / 30 split – 848 = 30 %) + Owner-paid utils	\$ 2,714 (70 / 30 split – 848 = 30 %)	Owner-paid	21,828	(12,228)	– 9.1 %	Fair allocation if shared use
Tenant-Paid Utilities (2 @ \$950, partial tenant utils)	\$ 2,714 (70 / 30 split – 848 = 30 %)	Partial tenant	25,500	(2,700)	– 2.0 %	Most realistic “best case”
Aggressive Model (2 @ \$1,100, tenant pays all)	\$ 905 (90 / 10 split – 848 = 10 %)	Tenant-paid	5,428	+ 20,972	+ 15.6 %	<i>Unrealistic – requires separate meters & 100% occupancy</i>

Interpretation

Only the extreme 90 / 10 scenario — where 848 pays just 10 % of snow costs and tenants pay all utilities — shows a positive return, but it’s *unrealistic* and would require \$8 000–\$10 000 in retrofit metering plus ignored maintenance liabilities. Every reasonable configuration (100 %, 70 / 30, or tenant-shared utilities) continues to yield a negative return, confirming a property-based financial hardship under General City Law § 81-b.

Exhibit F-1: Nov 12th - Parcel-Specific Constraints (Measured Facts)

Feature	848 Coffeen St (Subject)	Typical NMU Parcels (Examples 842 & 856 Coffeen)	Effect on Feasibility / Use
Lot Area	≈ 0.32 ac (13,940 sq ft)	0.40 – 0.50 ac	Less area for parking and internal circulation.
Front Setback (from ROW)	≈ 25 ft	Most nearby parcels east of Van Duzzee: 42–47 ft setbacks → creates deeper building line	Breaks corridor’s consistent rhythm; limits visibility and access.
West Side (852 Coffeen)	≈ 4 ft building-to-building separation; adjacent structure set ≈ 8–8.5 ft from ROW, taller façade with neon blade sign	10–15 ft separations typical	Dominant neighboring façade and sign visually block 848 from eastbound traffic (coming from Fairgrounds heading east). Restricts maintenance and snow placement.
East Side (836 Coffeen)	≈ 37.5 ft open yard	10–15 ft typical	Provides space but emphasizes contrast — property reads visually “tucked back” with closer, taller buildings.
Ingress / Egress Width	12 ft single drive onto Coffeen St	20–24 ft typical	Restricts two-way traffic and delivery maneuvering.
Parking Layout	Mixed paved + gravel, shared use	Fully paved and striped	Higher maintenance cost, requires snow haul-off.

Interpretation

While many NMU lots are small, 848 Coffeen is physically hemmed-in between two unusually positioned neighbors that distort its visibility and access:

- To the west, 852 Coffeen (a restaurant-style parcel ≈ 8 ft from the ROW) sits far forward and taller, blocking views of 848 for eastbound drivers traveling toward downtown. Its neon blade sign projects over the sidewalk, further reducing exposure.
- To the east, 836 Coffeen is set back ≈ 37.5 ft, creating a visual void that makes 848 appear recessed and shadowed between two different building planes.
- The west-side clearance of ≈ 4 ft prevents normal maintenance access or snow storage.

Exhibit F-1: Nov 12th - Parcel-Specific Constraints (Measured Facts) (Continued)

- The 25-ft front setback, while typical on paper, breaks the continuity of frontage established by the 42–47 ft setbacks east of Van Duzzee and the shallow 8 ft setbacks to the west, creating an uneven sight line that hides the building from both approach directions.

Across the entire Coffeen Street NMU corridor, only 732 and 728 Coffeen Street show setbacks that do not align with their neighbors; yet 728 is centered on its lot and fully visible. All other NMU parcels maintain uniform setbacks that preserve mutual visibility. 848 Coffeen breaks that pattern and is uniquely obscured.

A former tenant who operated a business from this location confirmed this issue firsthand, stating that customers often said they “didn’t know the business was there” because it couldn’t be seen from Coffeen Street even with approved signage. That historic experience demonstrates a real, documented visibility hardship linked directly to the parcel’s physical setting.

These conditions — irregular setback sequence, tight west-side clearance, taller flanking structures, and line-of-sight interference — create a unique physical confinement that does not affect a substantial portion of the NMU district.

Exhibit F-2: Nov 12th - Coffeen Street Corridor Photo Sheet (848 Coffeen Context)



Exhibit F-3: Nov 12th - Coffeen Street City Map Setbacks (Site Map Depicting Setback Line Visuals)



Comparable NMU Retail Uses – Existing Pattern Context

Purpose:

To demonstrate that small-scale retail activity already exists within Neighborhood Mixed Use (NMU) zoning districts across the City of Watertown, including nearby parcels along Coffeen Street.

The proposed dispensary would operate within that same retail pattern, but under substantially higher state oversight and compliance requirements.

Address	Zoning Code	Observed Use Type
██████████	NMU	Retail / Tobacco & Glass Products
██████████	NMU	Retail / Smoke Shop
██████████	NMU	Retail / Convenience / Tobacco
██████████	NMU	Retail / Grocery / Smoke Products
██████████	NMU	Gas / Mini-Mart / Retail Counter

Narrative Context

The above examples illustrate the active retail nature of the NMU district throughout the city. These uses reflect the same walk-in and vehicle-accessed retail model contemplated by the City’s NMU zoning intent: small-scale commercial operations compatible with nearby residential properties.

At ██████████, a parcel with an architectural style and footprint like 848 Coffeen, retail use already exists and functions effectively within the corridor.

A proposed dispensary at 848 Coffeen would present a comparable appearance but operate under far stricter state licensing, security, and compliance standards imposed by the New York State Office of Cannabis Management (OCM).

Zoning Compatibility & Public Benefit Statement

In contrast, Neighborhood Mixed Use (NMU) zones typically attract responsible adult patrons who arrive by vehicle and visit intentionally for retail purposes. When properly regulated and positioned, an NMU-based dispensary can integrate cleanly into its surroundings, supporting responsible local business ownership and providing a controlled environment that aligns with the intent of the Cannabis Law and community standards.

While Commercial Corridor (C) zones should remain eligible for cannabis retail consideration, they often come with higher property costs and operational demands, which can make long-term sustainability more challenging for smaller, locally owned businesses. Therefore, NMU and C districts alike should carry similar consideration and weight during approval, allowing flexibility for responsible applicants while ensuring that each site is evaluated on community impact, accessibility, and compliance potential.”