
PLANNING COMMISSION AGENDA REPORT

SUBJECT: REVIEW OF A PLANNED DEVELOPMENT AMENDMENT TO REVOKE THE PLANNED DEVELOPMENT OVERLAY, RELATED TO A DEVELOPMENT PROJECT PROPOSED AT 1144 CHORRO STREET, FOR SEVEN (7) AFFECTED PROPERTIES. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW.

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PROJECT ADDRESSES: 1144 Chorro Street; 895, 898, and 973 Higuera Street; 876 and 890 Marsh Street; and 868 and 870 Monterey Street

APPLICATION NUMBER: PDEV-0428-2023

APPLICANTS / AFFECTED PROPERTY OWNERS: Copeland Properties, Jamestown Premier Retail LP, and NKT Commercial

REPRESENTATIVE: Mark Rawson (Copeland Properties and Jamestown Premier Retail LP)

RECOMMENDATION

Recommend the City Council introduce and adopt an Ordinance revoking the Planned Development Overlay (Ordinance No. 1687 [2020 Series]), related to a development project proposed at 1144 Chorro Street, and amending the Zoning Map to rezone the seven (7) associated properties from C-D-PD and C-D-H-PD to C-D and C-D-H, respectively. The project is exempt from environmental review under Section 15301(b)(3) (General Rule Exemption) of the California Environmental Quality Act (CEQA) Guidelines.

1.0 SUMMARY

On behalf of Copeland Properties (Copeland), Jamestown Premier Retail LP (Jamestown), and NKT Commercial (NKT) (Applicants and affected Property Owners¹), Mark Rawson (Representative) has submitted a Planned Development (PD) Amendment (PDEV-0428-2023) to revoke the PD Overlay ([Ordinance No. 1687](#)) for seven (7) properties located at 1144 Chorro Street; 895, 898, and 973 Higuera Street; and 876 and 890 Marsh Street (Attachment B, Figure 1).

¹ The affected properties are owned by the three (3) Applicants, as follows:

- Copeland – 973 Higuera Street
- Jamestown – 895 and 898 Higuera; 876 and 890 Marsh Street; and 868 and 870 Monterey Street
- NKT – 1144 Chorro Street

Revocation of the PD Overlay would rezone these properties from the Downtown Commercial Zone with Planned Development Overlay (C-D-PD) and Downtown Commercial Zone with Historic and Planned Development Overlays (C-D-H-PD) to C-D and C-D-H, respectively. The approval of the PD Overlay was intended to facilitate a mixed-use development proposed at 1144 Chorro Street (1144 Chorro Project). However, the Applicants are no longer interested in pursuing this project due to changes in circumstances, and are requesting to revoke the PD Overlay, including its associated requirements, to reflect current interests and provide clarity in applicable regulations for these seven (7) affected properties.

2.0 PROJECT SITE

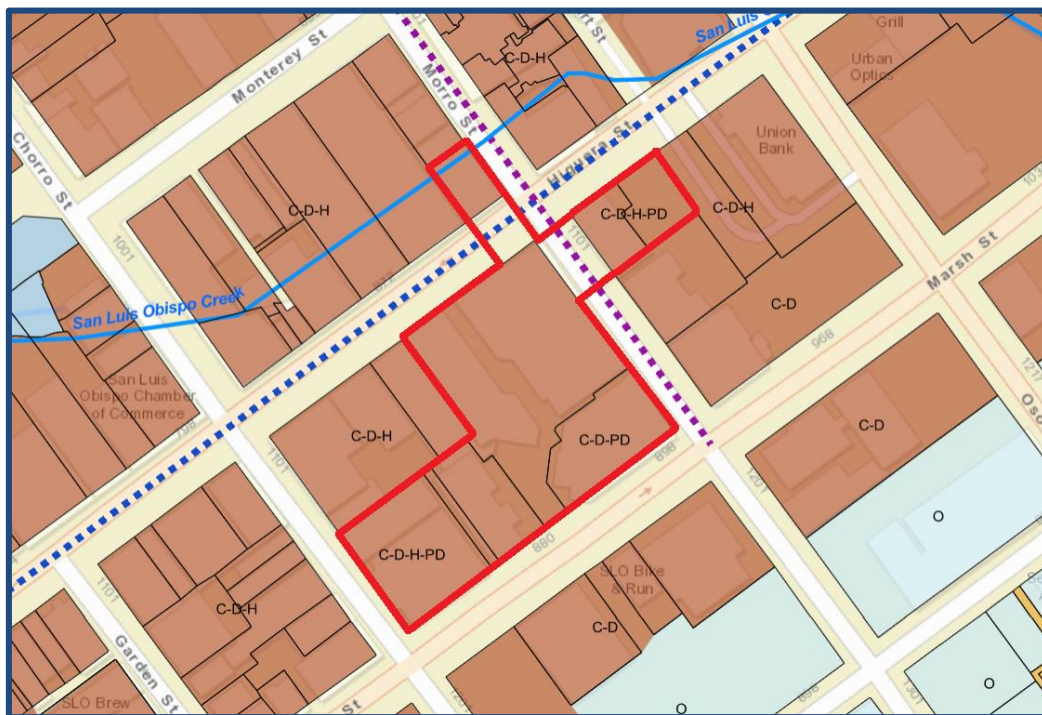


Figure 1 – Area of the PD Overlay²

² Revocation of the PD Overlay would result in the rezoning of the seven (7) properties outlined in Figure 1. Permanent preservation of an off-site building at 868 and 870 Monterey Street was identified and required as part of the original project approval. However, since the property at 868 and 870 Monterey is offsite and not within the PD Overlay, there would be no changes to its zone.

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3.0 PRIOR REVIEWS / ACTIONS

After a series of public hearings with the Architectural Review Commission, Cultural Heritage Committee, Planning Commission, and City Council in 2019 – 2020, the City Council adopted [Ordinance No. 1687](#)³ approving the PD Overlay (PDEV-0509-2019 and EID-0475-2019) for seven (7) properties on September 1, 2020 ([Staff Report](#), [Minutes](#)). Approval of Ordinance No. 1687 was accompanied by [Resolution No. 11160](#), which is the approval of the accompanying 1144 Chorro Project (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019).

4.0 CURRENT STATUS

Following the entitlement approvals in 2020, the following changes have occurred:

- In October 2023, Jamestown sold the property at 1144 Chorro Street to NKT.
- As the new Property Owner of 1144 Chorro, NKT is not interested in pursuing the 1144 Chorro Project and has obtained entitlement and building permit approvals to allow different uses at the site⁴.
- The approval of the 1144 Chorro Project ([Resolution No. 11160](#)) expired on August 28, 2025⁵. Therefore, the PD overlay is not needed and unnecessarily restricts development of the affected properties.
- There is interest in developing other properties within the PD Overlay on an individual basis.

Due to these changes in circumstances, the three (3) current Property Owners of all seven (7) affected properties are in agreement to revoke the PD Overlay (Attachment B).

³ The application of development standards, including the calculation for maximum residential density, generally follows the lot lines of an *individual lot* and does not extend to the greater boundaries of a *project site*, which may comprise of multiple lots, unless otherwise allowed through a discretionary approval (e.g., PD Overlay, Specific Plan, etc.). To facilitate the 1144 Chorro Project at its desired density, approval of a PD Overlay was required to allow the transfer of (unused) density credits between neighboring properties. In accordance with San Luis Obispo Municipal Code (SLOMC) [Section 17.70.040\(B\)\(1\)](#), this PD Overlay identified participating properties at 895, 898, and 973 Higuera Street and 876 and 890 Marsh Street that were willing to transfer their respective density credits in order to consolidate residential development potential at 1144 Chorro Street.

⁴ A Minor Use Permit (USE-0455-2024) was approved for a proposed office use on October 24, 2024, and a building permit (BLDG-0088-2025) was issued for the associated tenant improvements on April 28, 2025. This building is intended for the combined function of Cal Poly's Mustang Shop, Center for Innovation [CIE], and Small Business Development Center [SBDC].

⁵ The expiration date of this project approval was automatically tolled and extended by multiple State and Local emergency ordinances during the COVID-19 Pandemic. The last of these actions includes the City Council's adoption of [Resolution No. 11396](#), which terminated the Declaration of a Local Emergency for the COVID-19 Pandemic and provided an automatic 18-month time extension for all discretionary approvals until August 28, 2024. An additional time extension was not requested as allowed by SLOMC [Section 17.104.070](#), and this approval expired on August 28, 2024.

5.0 PLANNING COMMISSION'S PURVIEW

Per SLOMC [Section 17.48.100](#), the City Council may remove the PD designation by ordinance in accordance with the rezoning procedure if the development plan is not carried out. The Applicant has applied for a PD Amendment to revoke the overlay as described in SLOMC [Chapter 17.124](#). As part of this review, the Planning Commission is to provide a recommendation to the City Council on whether to approve or deny the request. The City Council would review the request, including the Planning Commission's recommendation, and make the final decision.

6.0 PROJECT ANALYSIS

Staff has reviewed the request and recommends approval of the revocation because the required findings, per SLOMC [Section 17.48.070\(C\)](#), previously made for Ordinance No. 1687 would no longer be applicable and/or met, based on the following:

- The purpose of adopting this PD Overlay in 2020 was to facilitate an accompanying project at 1144 Chorro Street;
- Approval of that accompanying project at 1144 Chorro Street (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019) has expired;
- Any community benefits and mandatory project features required of, or resulting from, the development project would no longer occur because the accompanying project approval has expired and the property owner of 1144 Chorro Street does not wish to re-initiate;
- All current owners of the seven (7) affected properties do not wish to re-initiate the project as previously approved (see Attachment B);
- The property owner of 1144 Chorro Street has actively pursued entitlement and building permit approvals for different uses at the property;
- The PD Overlay encumbers seven (7) properties in downtown, not under common ownership, by referring to an expired project approval on the Zoning Map; and
- Revocation of the PD Overlay would amend and clean up the Zoning Map by removing the reference to an expired project approval and its associated requirements (e.g., mitigation measures from the environmental review; deviations allowed by the PD overlay; conditions of approval, etc.). Revocation would provide clarity in applicable regulations of the affected properties and remove unnecessary restrictions on development thereof.

If revocation of the PD Overlay is approved by the City Council, the seven (7) affected properties would be rezoned from C-D-PD and C-D-H-PD to C-D and C-D-H, respectively. Any future development proposed on these properties would be subject to requirements of the underlying C-D Zone, and H Overlay as appropriate.

7.0 PUBLIC ENGAGEMENT

In accordance with Government Code Section 65854, public notice was provided at least 20 days before this Planning Commission hearing. The public has the opportunity to comment on the item at and/or before the hearing. Following the Planning Commission's review, there will be public hearings for review by the City Council, and legal notices will be provided as required for each hearing.

8.0 ENVIRONMENTAL REVIEW

The project is exempt from environmental review under Section 15301(b)(3) (General Rule Exemption) of the California Environmental Quality Act (CEQA) Guidelines. This "Common Sense" exemption states that CEQA only applies to projects that have the potential for causing significant effect on the environment. Since the scope of this request is limited to an amendment on the Zoning Map and does not facilitate any development project, it would not have an effect on the environment. Additionally, the mitigation measures required as part of the PD Overlay adoption in 2020 were only applicable to the development project for 1144 Chorro Street as proposed at the time. Should there be any new development proposed at 1144 Chorro Street or any of the other affected properties, those projects would be evaluated on an individual basis for consistency and compliance with all applicable regulations in effect at that time, including environmental review.

9.0 ACTION ALTERNATIVES

1. Continue review of the project. An action to continue the item should include a detailed list of additional information or analysis required to make a recommendation.
2. Recommend denial of the project. An action denying the project should include findings that cite the basis for denial and reference any inconsistency(ies) with the General Plan, Zoning Regulations, or other policy documents.

10.0 ATTACHMENTS

- A. Draft Planning Commission Resolution
- B. Request for Revocation of the PD Overlay