



# Planning Services Staff Report

For Ann Arbor City Planning Commission Meeting of May 5, 2026.

Subject: 3785 Varsity Drive (REZ25-0007).

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## Proposed Planning Commission Motion

The Ann Arbor City Planning Commission recommends that the Mayor and City Council approve the rezoning and area plan of 3785 Varsity Drive from M1 (Limited Industrial District) to C2B (Business Service District).

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## Staff Recommendation

### Rezoning

Staff recommend **approval** of the **rezoning** associated with this petition because as a mixed-use district it complies with the description of the proposed Transition land use category.

### Area Plan

Staff recommend **approval** of the **area plan** associated with the rezoning because it demonstrates the proposed uses for the petitioned zoning designation are compatible with the City's adopted plans and policies.

## Background

### Location

The subject property is located in the southern part of the city. It is located on the east side of Varsity Drive, south of I-94, and north of Ellsworth Road in a historically industrially zoned area. Parcels surrounding this location on three sides are also zoned M1. On the site's east border, there is a R4B (Multiple Family District) development.

This parcel is in Ward 4. See Figure 1 on the following page.

Figure 1: Existing Conditions (subject parcel outlined in red)



## Proposed Project

This is a petition to rezone a vacant 1.26-acre parcel from M1 (Limited Industrial District) to C2B (Business Service District) to build 50 one-bedroom apartment units across two buildings. The approximate total floor area is about 40,000 square feet. 55 parking spaces are proposed primarily under the building, and some would be located on the northern border of the site as a small surface parking lot. C2B is a mixed-use zoning district that permits residential uses.

Because this is an area plan, not a site plan, there are fewer requirements to comply with at this stage. There is not a detailed landscape, natural features, utility, architectural, grading and soil plan. These plans will be required during a site plan review process. See below under “Standards for Approval.”

As a Type 1 development, a postcard was sent to properties within 1,000 feet of this site notifying them of a Community Participation Meeting. A virtual meeting was held on March 3, 2026. There was 1 person in attendance. A meeting summary has been uploaded to the project file in STREAM.

## **Comprehensive Plan**

The Comprehensive Plan – 2050 designates this area in the Transition Land Use Category. Transition is described as flexible in terms of the uses permitted. The land use category is also described as mixed-used, mid-rise, and multi-modal. This proposal would add to the types of uses and support a burgeoning multi-modal network in the area.

## **Standards for Approval**

### **Area Plan**

The applicant has submitted a rezoning request with an area plan. Per 5.29.7E of the Unified Development Code (UDC), an area plan is valid until replaced by an approved site plan. The ordinances and regulations in effect at the time of City Council approval of an area plan shall be applicable to a future site plan consistent with the approved area plan for a period of three years, unless amended ordinances or regulations are specifically made applicable to approved area plans during that period. If the rezoning and area plan are approved by City Council, a site plan would still be required to proceed with any development.

### **Rezoning**

Rezoning standards are provided in City Code Chapter 55, the [Unified Development Code \(UDC\)](#). Additional standards are found in the [Michigan Zoning Enabling Act](#) (Act 110 of 2006). To assist the Planning Commission and City Council with their decision, applicants provide a rezoning petition (attached) with justifications in support of the request. The proposed project was reviewed by planning staff against the city's standards for rezonings (UDC Section 5.29.10) and questions posed in the rezoning application.

The petition addresses:

1. The extent to which the rezoning is necessary.
2. How the rezoning will affect the public welfare and property rights of persons located in the vicinity.
3. How the rezoning will be advantageous to the City.
4. How this particular location will meet the convenience and service requirements of potential users and occupants.
5. Any changed or changing conditions in any particular area, or in the City generally, which may have bearing on the request.
6. Other circumstances and factors which further justify the request.

## Staff Comments

### Land Use

- a. The area to be rezoned from M1 to C2B is a district of 1.2 acres or 56,856 square feet.
- b. The site is primarily surrounded by M1 zoning (Limited Industrial District), which prohibits residential use, but to the northeast abuts R4B (Multiple-Family District).
- c. C2B (Business Service District) is a mixed-use district. M1 (Limited Industrial District) is a nonresidential district. Table 1 summarizes the dimensional standards for both zones.
- d. The intent of C2B (Business Service District): designed to provide for certain types of commercial activities that have functional and economic relationships to downtown core or downtown interface commercial district. In this district, the customer may come to the particular establishment either by automobile or as an extension of downtown pedestrian shopping activity. Since there is little essential interdependence of activities, each establishment should have its own automobile parking area. Good traffic accessibility is essential to this district, particularly for trucks and other freight carriers. The uses permitted, because of their required contact with auto and truck traffic, would be incompatible in the downtown.

*Table 1: Dimensional Standards for C2B and M1*

District	Lot Area (minimum)	Density (maximum)	Height (maximum)	Front Setbacks (minimum)	Side and Rear Setbacks (minimum)
M1	13,000 square feet	75% floor-area ratio	35 feet	15 feet	Side: 30 feet min when abutting residential Rear: 50 feet min when abutting residential
C2B	4,000 square feet	No max floor area	55 feet and 4 stories	min 10 feet and max 25 feet	Side and rear: 30 feet when abutting residential, otherwise 0 feet

- e. The request is consistent with the uses permitted Comprehensive Land Use Plan - 2050 Future Land Use Map that designates the site as Transition. The intent of Transition is “a flexible, mixed-use category that accommodates residential, commercial, and industrial uses. It supports a variety of building types near

transit to enhance walkability, increase transit use, and strengthen commercial activity along key corridors and nodes.”

- f. The surrounding uses include Zingerman’s Mail Order, three fitness facilities, a biotech lab, a food delivery facility, Mitsubishi research and development office, a hardware store, and an unknown office and storage/warehousing building, an HVAC contractor’s office, garage door supplier, a cannabis retailer, and an automation and supply store.

## **Transit**

- a. The site is serviced by a stop for AAATA bus route 6A within less than a quarter mile. The Ellsworth corridor is selected in the TheRide 2045 Plan for priority service. The priority service is intended to provide higher frequency service to higher demand areas and facilitate faster trips for longer travel patterns not well covered by the proposed Bus Rapid Transit lines.
- b. The site is not located on a sidewalk network. The City’s Standard Specifications will require the installation of a sidewalk (Section 6-5). A newly constructed sidewalk would not connect to an established system to the north, but to the south could connect to a sidewalk segment that leads to the bus stop on Ellsworth Road.
- c. The City’s transportation review recommended conditional approval of the proposed rezoning, contingent upon the understanding that safe, continuous, accessible pedestrian facility connections to Ellsworth Rd and cross-site to the east will be required features of any future site plan.
- d. The area plan does not indicate a connection to the residential development on Patridge Path (the R4B development to the northeast) through an easement.

## **Amenities**

- a. The area plan estimates that 50 one-bedroom units would generate 10 school-aged children that would be assigned to the Bryant Pattengill East Elementary School.
- b. The site is within a longer walking distance or short drive to nearby amenities. It is about a 20-to-30-minute walk to Arbor Oaks Park, Ellsworth Park, and Bryant Elementary School.

## **Natural Features**

- a. A substantial portion of the parcel is in the floodplain, and a sliver of the southern part of the parcel is in the floodway. This would require that the boundaries of the base flood elevations are also shown on an area plan.

- b. The Floodplain Manager noted there is indication of a protected wetland on the property, which would require a professional wetland delineation and potentially permitting with the state and city.
- c. The site is heavily wooded. City regulated trees are on the site and it is not clear if they will be removed for the development. That would be determined through a site plan.

## **Transition**

Historically, zoning was created to protect residents from harmful land uses. Typically, this meant separating residential from industrial uses to protect the public health, safety, and welfare of the city's residents. Modern planning has moved toward greater mixtures of land uses. One way the Comprehensive Land Use Plan - 2050 aims to decrease land use separation is through the Transition land use category.

The shift, as evidenced by this site, is that housing would now be permitted where there is not a complete sidewalk network, where neighbors with large surface parking lots receive deliveries from semi-trucks, and the same scale of neighborhood business and amenities that are imagined in residential are not present here. However, staff acknowledges its proximity to jobs and a bus line, and that it has the potential to be connected to adjacent residential development. It is also possible that for some residents, the envisioned project could be suitable for their needs. It is emblematic of a transition in terms of uses and scale, and how to re-imagine this area into one that meets the city's goals without causing nuisance for new residents.

Prepared by Michelle Bennett, City Planner  
Reviewed by Brett Lenart, Planning Manager

Attachments: Rezoning Application  
Zoning/Parcel Maps  
Area Plan  
Aerial Photo  
Additional Project Files (STREAM file REZ25-0007)

Cc:  
Petitioner/Owner: Ned Hakim

Petitioner's Representative:  
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Systems Planning: File No. REZ25-0007