Business Item

Transportation Committee

Committee meeting date: June 8, 2026 **For the Metropolitan Council:** June 24, 2026

Business Item: 2026-108

Disposition of Property and Joint Powers Agreement with the City of Hopkins and Hopkins Housing and Redevelopment Authority for Redevelopment near Shady Oak Station

District(s), member(s):	District 8, Anjuli Cameron and District 3, Dr. Tyronne Carter
Policy/legal reference:	Minnesota Statute 471.59 Joint Exercise of Power, Minnesota Statute 473.129, subd. 7, Minnesota Statute 471.64, RF 1-6 Transit Oriented Development (TOD) Policy, FM 9-1 Real Estate Policy, FM 14-1 Procurement Policy
Staff prepared/presented:	Lesley Kandaras, General Manager, 612-349-7513
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Division/department:	Metro Transit / TOD

Proposed action

That the Metropolitan Council declares the property identified on Exhibit A, which is north of the Council's METRO Green Line Extension Shady Oak Station, is surplus to the METRO Green Line Extension project and authorizes the Regional Administrator to negotiate and execute a Joint Powers Agreement with the City of Hopkins and the City of Hopkins Housing and Redevelopment Authority for the sale and redevelopment of the surplus property.

Background

The Metropolitan Council (Council) acquired property in the City of Hopkins (City) and City of Minnetonka in and around the Shady Oak Station as part of the METRO Green Line Extension project. The land north of the station was acquired for the right-of-way extension of 17th Avenue S., including new sidewalks and a new bike trail, temporary construction staging, and a surface park & ride lot. Three remnant areas (see Exhibit A) have been identified as surplus property and are categorized as a transit-oriented development (TOD) priority site.

The Council Real Estate Policy FM 9-1 states that when real property is no longer needed for Council purposes, it may be considered surplus. Subject to applicable regulations and laws, the Council may sell surplus real property to the highest bidder through a public bidding process, for no less than the appraised market value, unless Council's priorities or objectives would be better served by disposing of the property in some other manner authorized by law.

As a TOD priority site, the recommended disposition approach is to enter into a Joint Powers

Agreement (JPA) with the City and its Housing & Redevelopment Authority (HRA). The JPA would govern the process for preparing the sites for redevelopment, procuring a developer, negotiating development-related agreements, and the purchase agreements.

Following Council authorization, the HRA would utilize its redevelopment powers to issue a request for developer proposals (RFP) and select a developer to meet its development vision. The City and HRA would work with the selected developer through their zoning entitlements and development agreements. Once the developer is ready to financially close on the development, the purchase agreement would be executed between the HRA and the developer and the Council and the HRA.

Council staff would collaborate with City staff throughout the process, reviewing documents for compliance at key milestones. One of the critical steps in the redevelopment is addressing federal, state, and local METRO Green Line Extension funders' interests in the real property. Council staff would work with the funding partners on their interest in the sale of the property.

Staff would also keep the Council updated on the progress.

Rationale

There is no further transit or Council need for the property north of Shady Oak Station and has been identified as a TOD priority site. A Joint Powers Agreement would facilitate the three parties' interests and roles in the redevelopment. Council policy requires joint powers agreements in any amount and the declaration of property surplus for disposition to be approved by the Council.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens the Joint Powers Agreement and disposition of property advances several outcomes:

- **Stewardship:** Redevelopment of the excess property north of Shady Oak Station, that is no longer needed for transit purposes, is anticipated to generate new transit ridership.
- **Prosperity:** Redevelopment is expected to facilitate private investment on a site that is located adjacent to significant existing and future transit service, including the METRO Green Line Extension.
- **Equity:** Redevelopment is anticipated to increase affordable access to jobs, housing, and destinations along transit.
- **Livability:** Transit-oriented development around the Shady Oak Station would make the community more walkable, bikeable, and safe by increasing activity and access to destinations along transit.
- **Sustainability:** Locating new growth along transit is a powerful tool for reducing regional climate-warming emissions.

Funding

No need for funding is anticipated. The property was acquired using funds from Green Line Extension project. Staff would work with the METRO Green Line Extension funding partners on proportional reimbursement upon sale.

Small business inclusion

There are no impacts to small businesses with this agreement.