Should Dellwood take ownership of Dellwood Avenue?

MnDOT has offered to transfer the Dellwood segment of Trunk Highway 244 to the City, along with a one-time payment. The City Council must decide whether to accept or decline. Either way, Dellwood Avenue's future — and part of the City's road budget — depends on the answer.

Why a turnback? MnDOT continually evaluates whether each state highway still serves a statewide purpose. Highways that no longer do are offered back to local governments, with funding — a process called a jurisdictional transfer, or "turnback."

Dellwood Avenue at a glance

1.8 mi
of TH 244 inside Dellwood would transfer

$11.57M
one-time payment from the State ($11,569,172)

pre-1949
original pavement — never fully rebuilt

"Poor"
MnDOT's current condition rating for the road

What changes if the City accepts — or declines

	If the City ACCEPTS	If the City DECLINES
Who owns the road	City of Dellwood	MnDOT
Next major work	The City decides — up to full reconstruction, including drainage, paid from the State's payment	A pavement overlay around 2030; the pre-1949 base and drainage stay largely as they are
Snowplowing	City standard — City crews or could contract with Washington County or Mahtomedi	MnDOT "Rural Commuter" standard (4–9 hour target); no written commitment
Routine upkeep	City responsibility	MnDOT, "as needed"; no set schedule
The $11.57M	Paid to the City	MnDOT reassigns it after its FY2027 review

What would a full rebuild cost?



Estimates are planning-level, in 2025 dollars.

Sources: MnDOT; Bolton & Menk estimates (July 2025, May 2026); City of Dellwood 2026 Budget. Full details: City of Dellwood Report, "MnDOT Proposed Transfer of Trunk Highway 244."

Over → paying for it

What does it cost taxpayers?

It depends on how the City spends the payment.

The City's engineer and staff have outlined three *possible* broad approaches for residents to understand the myriad of options that could be taken should the city decide to accept the turnback:

PATH A

Rebuild the whole corridor

Construction, engineering, right-of-way, and a pedestrian tunnel or crossing lights: **about $11.6M**.

Left for upkeep: **essentially none**.

For taxpayers: Dellwood uses debt financing through municipal bonds rather than raising taxes or using current cash flow up front — the City issues debt to spread the cost of infrastructure over time.

PATH B

Rebuild within the payment

Reconstruction capped near **$9.5M**, leaving about **$2.0M** for possible upkeep.

For taxpayers: upkeep could possibly be covered for 40 years in today's dollars; inflation and anything beyond the cap become local costs.

PATH C

Preserve the road, invest the rest

Reclaim and overlay now (**about $2M**)

Remaining balance could possibly be spent on storm drainage improvements, with the balance invested as allowable by state law.

For taxpayers: no new storm sewer or sidewalk unless paid from the balance.

Paths B and C are the engineer's 40-year scenarios (Bolton & Menk, May 2026), in 2026 dollars without inflation. Path A's upkeep assumes the engineer's 26-ft design and about 400 households. ***These scenarios are part of the many possibilities being explored by the council and continue to be legally vetted.***

Weighing the choice

If the City ACCEPTS

PROS

- Local control over design and timing
- $11.57M to spend
- A chance to rebuild a 1940's base and drainage system, not just resurface
- Room for pedestrian and safety improvements residents have asked for

CONS

- The City owns the road, drainage, and right-of-way permanently
- The payment is fixed; overruns, inflation, and hidden problems fall to the City
- If the lump-sum payment is solely spent on construction, the city is responsible for maintenance

If the City DECLINES

PROS

- No new ownership, drainage, or right-of-way liabilities
- No added upkeep in the City budget
- MnDOT crews keep plowing and maintaining the road

CONS

- The road stays in "preservation mode": a presumed overlay around 2030, no rebuild, and drainage unchanged
- No written MnDOT maintenance commitments; little local say over the corridor
- After FY2027 a future offer isn't guaranteed
- An unknown cost-sharing amount the City will owe for future MnDOT road maintenance (2026 state legislation)

A separate decision

The Lake Links Trail is related but separate. The turnback decision only affects whether the city would own the trail's right-of-way. Trail costs are not part of the $11.57M, but building both projects together could save money.

About this handout: Prepared by Council Member Melissa Peltier using information available as of October 29, 2026. This is an informational summary, not an official position of the Dellwood City Council or the City of Dellwood. Legal questions are still under review by the City's legal counsel; nothing here is a final legal conclusion. Questions or corrections: **Melissa.Peltier@dellwood.us**