

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	Matthew Klem, Planning Manager
Department	Planning and Development
Date	September 16, 2025
Subject	Annexation Practices and Associated Growth Policies

Planning and Development has conducted a comprehensive review of the City’s annexation practices and associated growth policies. The purpose of this review is to ensure alignment with municipal service commitments within corporate limits and extraterritorial jurisdiction (ETJ). This memo summarizes the practices and policies of the current annexation framework. A more detailed accounting of our annexation practices and policies was provided to City Council in the [Manager’s Update](#) on June 20, 2025.

Recent Council Actions

At their January 2025 retreat, City Council reviewed a staff presentation on Smart Growth and Annexation and asked for an evaluation of annexation practices and growth policies tied to utility service. On February 4, 2025, Council adopted Ordinance No. (2025) 710, updating City Code on water and sewer extensions to align with the new Public Utilities Design Manual. Earlier, on May 7, 2024, Council adopted the Sewer-Only Account Management Policy, which restricts sewer-only connections to cases of septic failure posing public health risks and raised the required deposit from one to three years of service charges.

City Resolutions and Ordinances

There are several adopted resolutions and ordinances which establish city practices for annexations, both within and outside of its planning jurisdiction.

Resolution No. (1993) 208 – Utility Extensions Outside Corporate Limits

This resolution requires any developer who wants to connect a property outside of the corporate limits to City utilities to submit an annexation petition to City Council. It states City Council is to review the request for consideration of annexation and determine whether annexation is to be initiated on a case-by-case basis.

Resolution No. (2013) 837 – City Participation in Public-Private Water and/or Sewer Extensions Outside City Limits

Extensions must be part of the long-range Utility Service Area plan or address a health, environmental, or economic need while supporting orderly system growth. Sewer pump stations are prohibited to protect basin integrity, and property owners must secure needed rights-of-way. Standard requirements in agreements include annexation petitions, owner-funded design and construction, payment or reimbursement of extension and right-of-way costs, a six-month minimum before City acquisition of right-of-way, and a public hearing before approval.

Resolution No. (2022) 380 – Annexation Petitions Outside the ETJ

This resolution states that it is City policy not to accept annexation petitions for property outside of existing extraterritorial jurisdiction (ETJ) or an area formally being considered for ETJ extension. It establishes that the City will not accept annexation petitions for property outside its extraterritorial jurisdiction (ETJ) or areas under formal consideration for ETJ extension, with certain exceptions reviewed case by case. Exceptions include emergency water or sewer connections for developed property, sites in Durham County under the Raleigh-Durham annexation agreement, property between 540 and Strickland/Falls of the Neuse meeting watershed policies, land transferred from another city's ETJ through an annexation agreement amendment, publicly owned land, parcels split by the ETJ boundary at the time of adoption, and property adjacent to either contiguous or satellite city limits if near existing utility lines and, for satellite sites, within five years of ETJ extension consideration.

Ordinance No. (2025) 710 – Alignment of City Code and the Public Utilities Handbook

This ordinance updates City Code to align with the Public Utilities Design Manual (adopted November 19, 2024, effective January 18, 2025) by requiring water and sewer lines to meet City standards before connection or dedication. It limits exceptions to existing dwellings with system failures: water-only connections may be approved in case of well failure if sewer is unavailable and a sewer easement is dedicated, and sewer-only connections may be approved in case of septic failure under the City's Sewer-Only Account Management Policy. The ordinance amended City Code Section 8-2063, repealed Section 8-2065, and clarified that outside connections are restricted to a single utility system for dwellings with well or septic problems, removing prior exemptions and ensuring consistency with the sewer-only account policy adopted May 7, 2024..

Comprehensive Plan Policies

The 2030 Comprehensive Plan guides Raleigh's growth through policies on land use, utilities, and infrastructure. Section 2 outlines the Growth Framework, identifying priority corridors for infill and mixed-use development tied to transportation and adjacent land uses. Policies in Sections 3 (Land Use) and 9 (Public Utilities) are key criteria for rezoning and annexation decisions, while Sections 10 (Community Facilities

and Services) and 14 (Regional and Interjurisdictional Coordination) address citywide growth, services, and partnerships. Section 16 provides area-specific guidance, with detailed policies for Falls Lake and Swift Creek watersheds on zoning, density, impervious surfaces, and utility extensions, including emergency connections.

Voluntary Annexation Eligibility

Per the City's adopted area plans, resolutions and ordinances, and its annexation authority granted by North Carolina state law, staff prepared a map showing areas currently eligible for voluntary annexation under state law and adopted City policies, though eligibility is reviewed case by case and all petitions require a public hearing before Council. Raleigh covers 153 square miles (138,924 parcels), with about 36.4 square miles (10,001 parcels) eligible for annexation—representing a potential 23.8% increase. The City has averaged 0.8 square miles of voluntary annexations annually over the past decade. State law (2024-57) now prohibits down-zoning without owner consent, making ETJ expansion unavailable, and city-initiated annexation has been impractical since 2011.

Next Steps

Planning staff is providing this summary of existing annexation practices and growth policy as a reference resource for City Council. Moving forward, staff will be developing recommendations and options for amendments to annexation practices and growth policy for City Council's consideration. Planning and Development will be coordinating with Public Utilities, Fire, Solid Waste and other city departments ensure alignment across the organization.

Following analysis and interdepartmental review, staff will present City Council with a range of strategy options. Options will include different approaches to managing growth through policy and map amendments and will allow Council to select its preferred direction.