

Growth and Annexation

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September 16, 2025



Purpose

- Information sharing
- Respond to Council interest in annexation & growth
 - Review current practices
 - Options for refinement
- Preview of work to come

Agenda

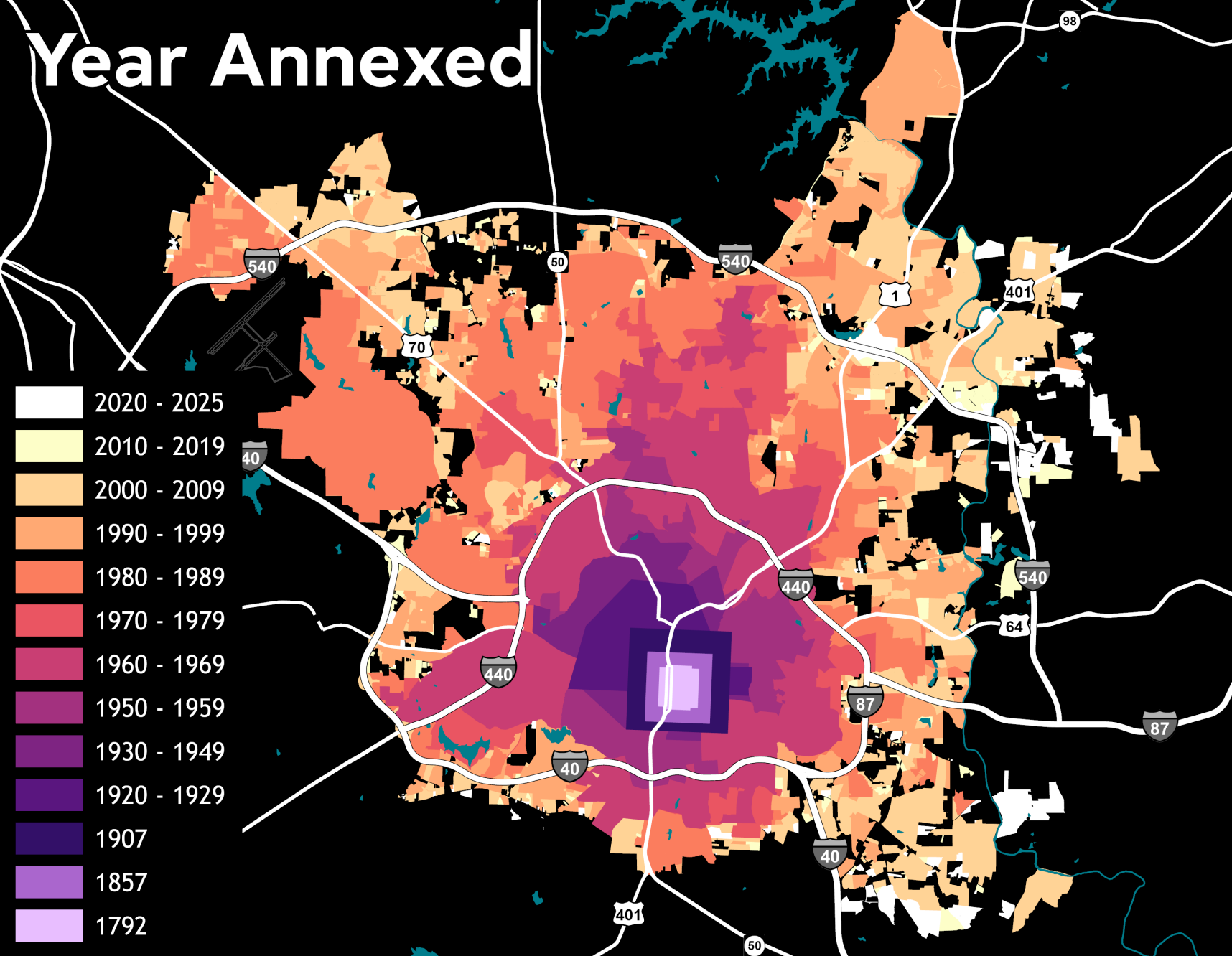
- Previous council engagement
- Historic and current annexation practice
- Annexation eligibility
- Why this matters
- Departmental impacts
- Upcoming work
- New annexation policy framework for Reflecting Raleigh

Previous Council Engagement

- May 2024 Sewer-Only Account Management Policy
- January 2025 Council Retreat
- February 2025 Ordinance No. (2025) 710
 - Aligned City code with the recently adopted Public Utilities Design Manual.
- June 2025 Manager's Weekly Report
- July 2025 Fire Service Master Plan

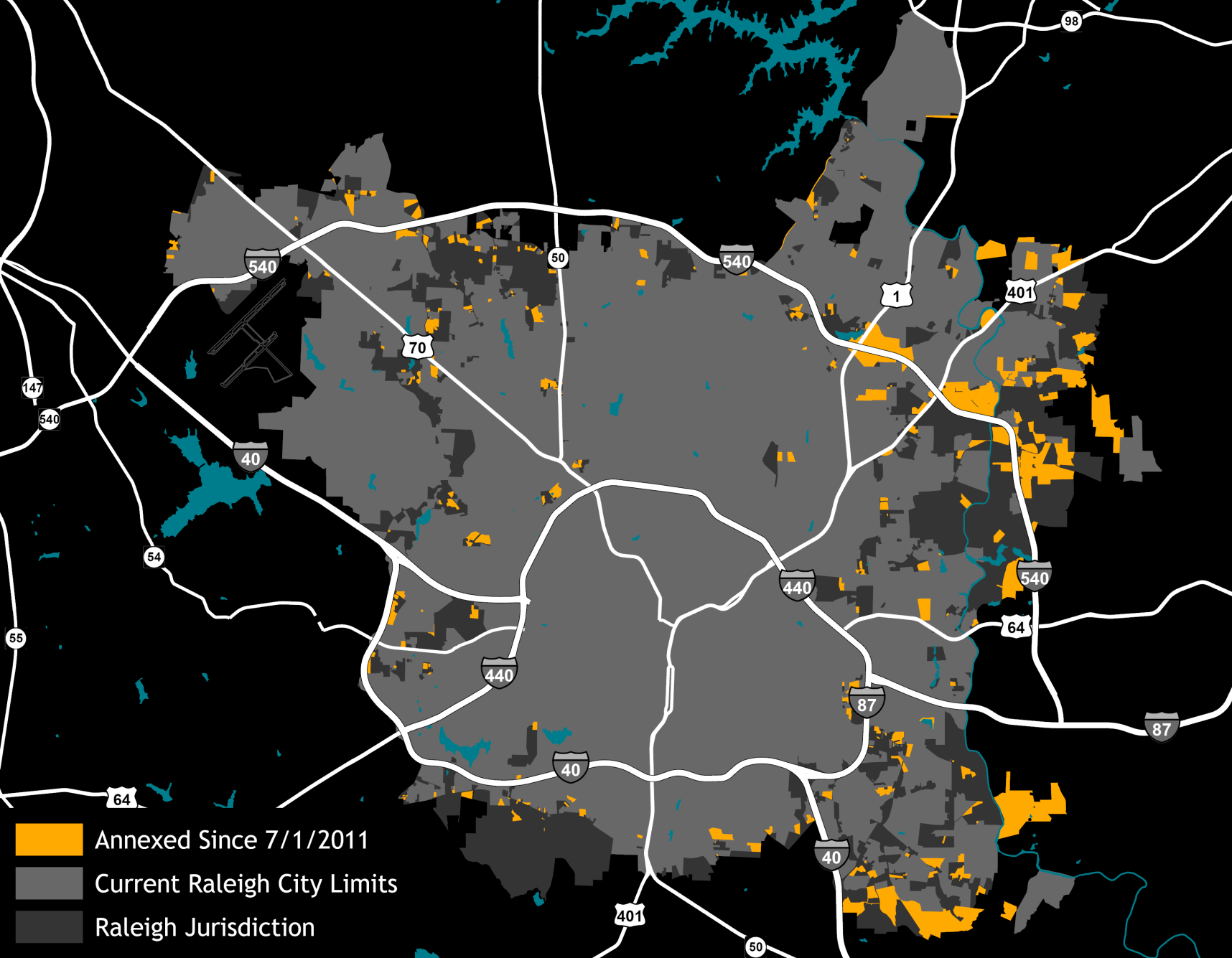
Historic Annexation Practice

Year Annexed



The city has consistently grown outward in suburban low density beyond the original 1792 William Christmas Plan.

Historically, the city would involuntarily annex large areas of already developed land to establish public services and infrastructure.

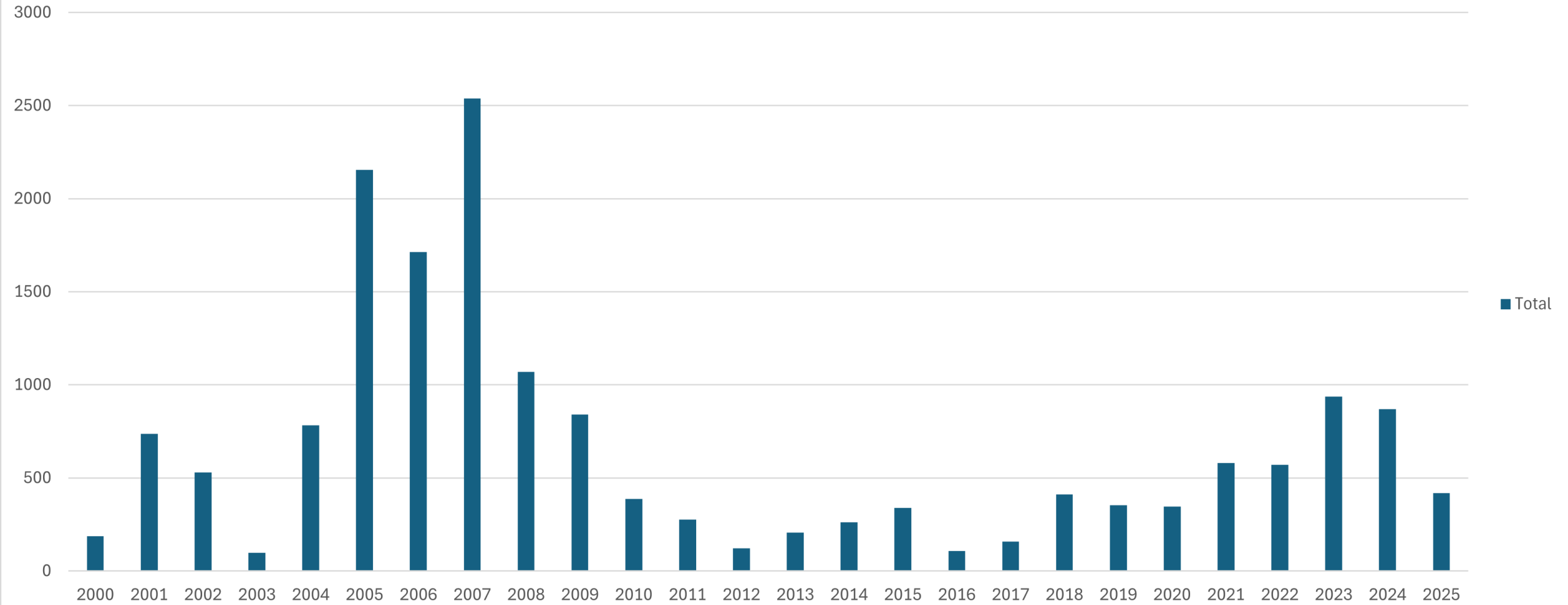


In 2011, state law changed and prohibited involuntary annexation.

This was a significant change to planning and development.

Previously, annexations were proactive and occurred on large scale allowing the city more foresight on service provision and associated costs.

Area Annexed, 2000-2025



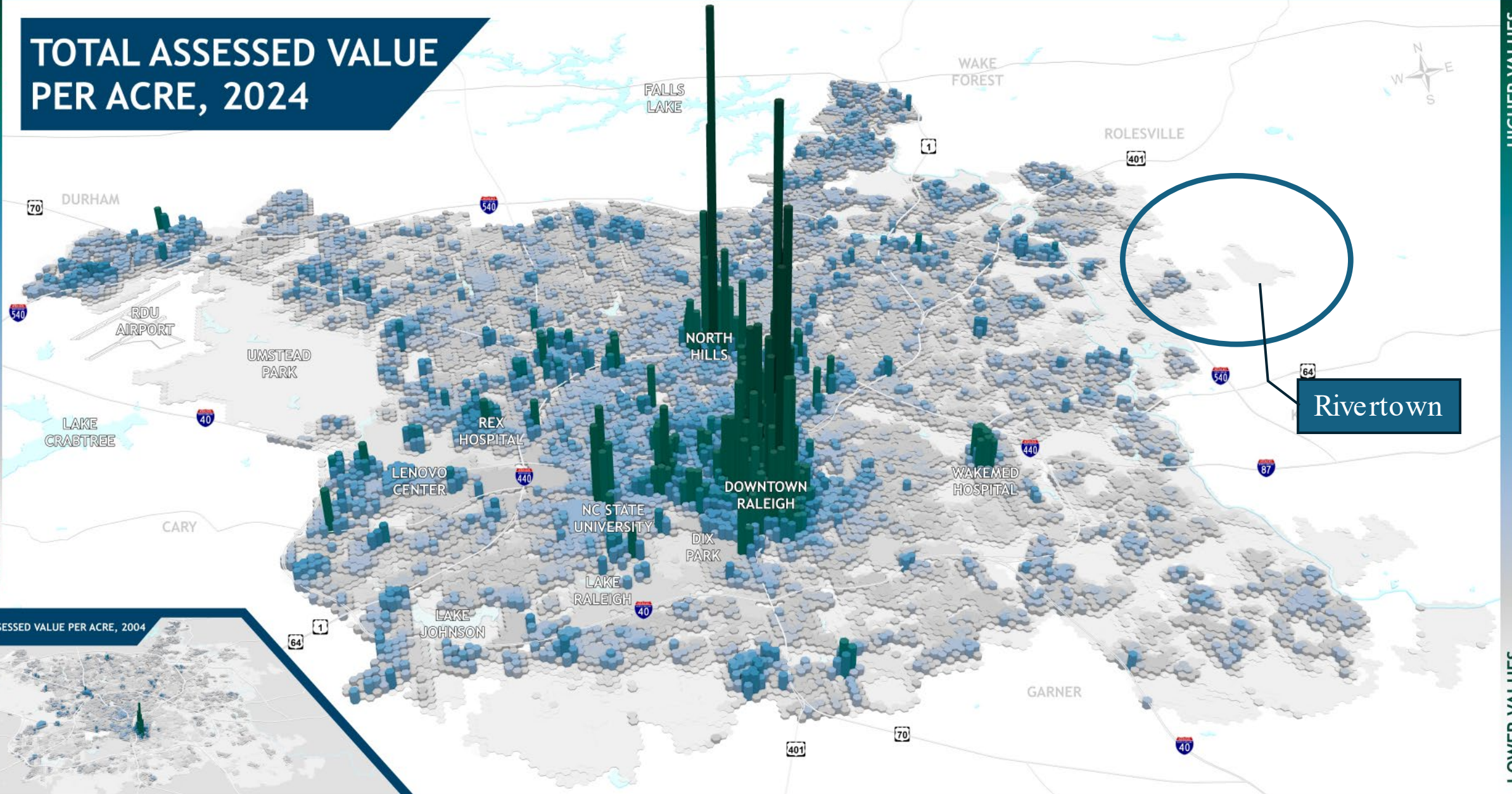
TOTAL ASSESSED VALUE PER ACRE, 2024

HIGHER VALUES

HIGHER VALUES

LOWER VALUES

LOWER VALUES



Rivertown

TOTAL ASSESSED VALUE PER ACRE, 2004
(2024 DOLLARS)











Current Annexation Practice

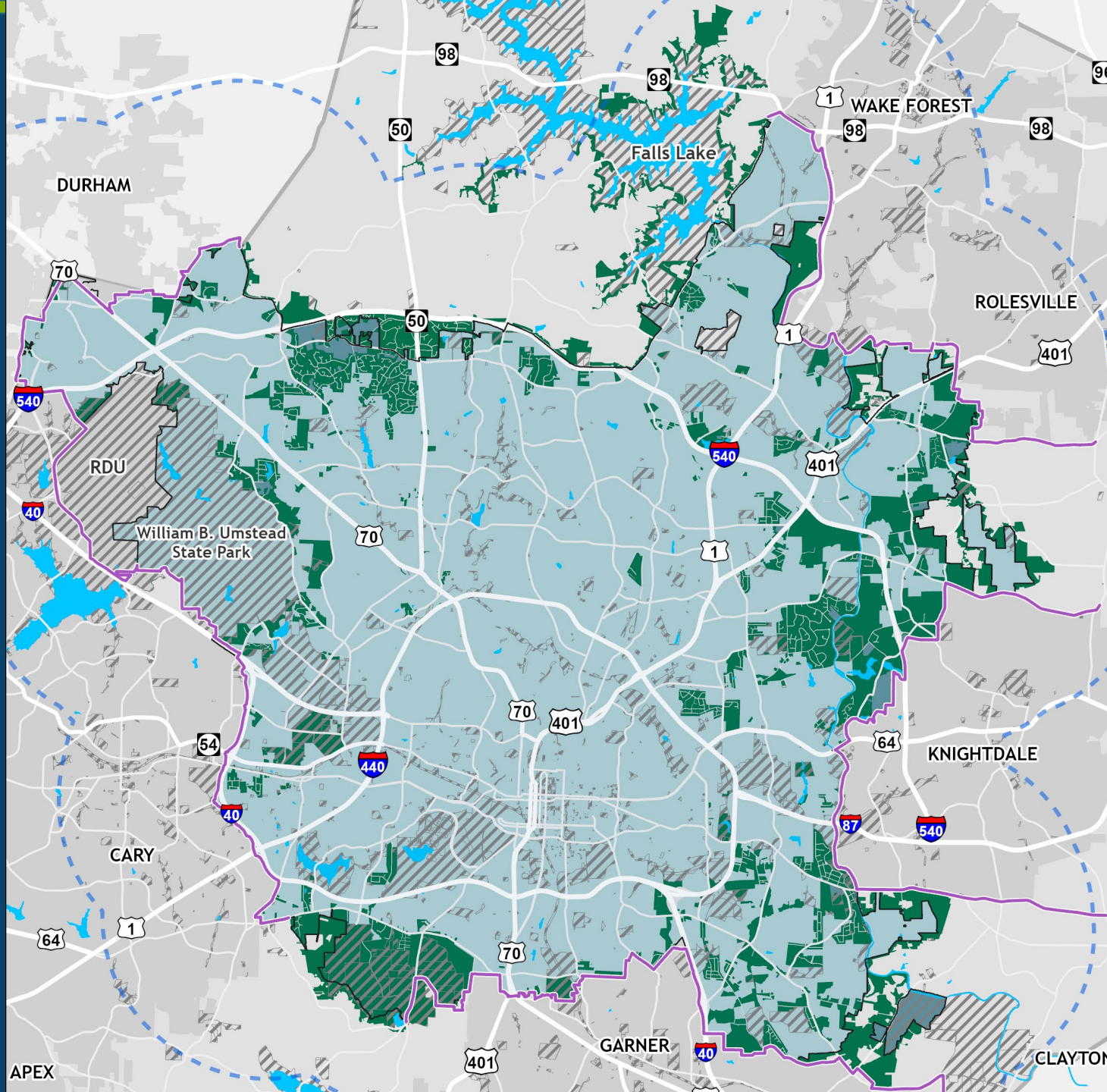
Existing Annexation Framework

- Resolution No. (1993) 208
 - Utility Extensions Outside Corporate Limits
- Resolution No. (2013) 837
 - City Participation in Public-Private Water and/or Sewer Extensions Outside City Limits
- Resolution No. (2022) 380
 - Annexation Petitions Outside the ETJ
- Ordinance No. (2025) 710
 - Alignment of City Code and the Public Utilities Handbook

Current Eligibility

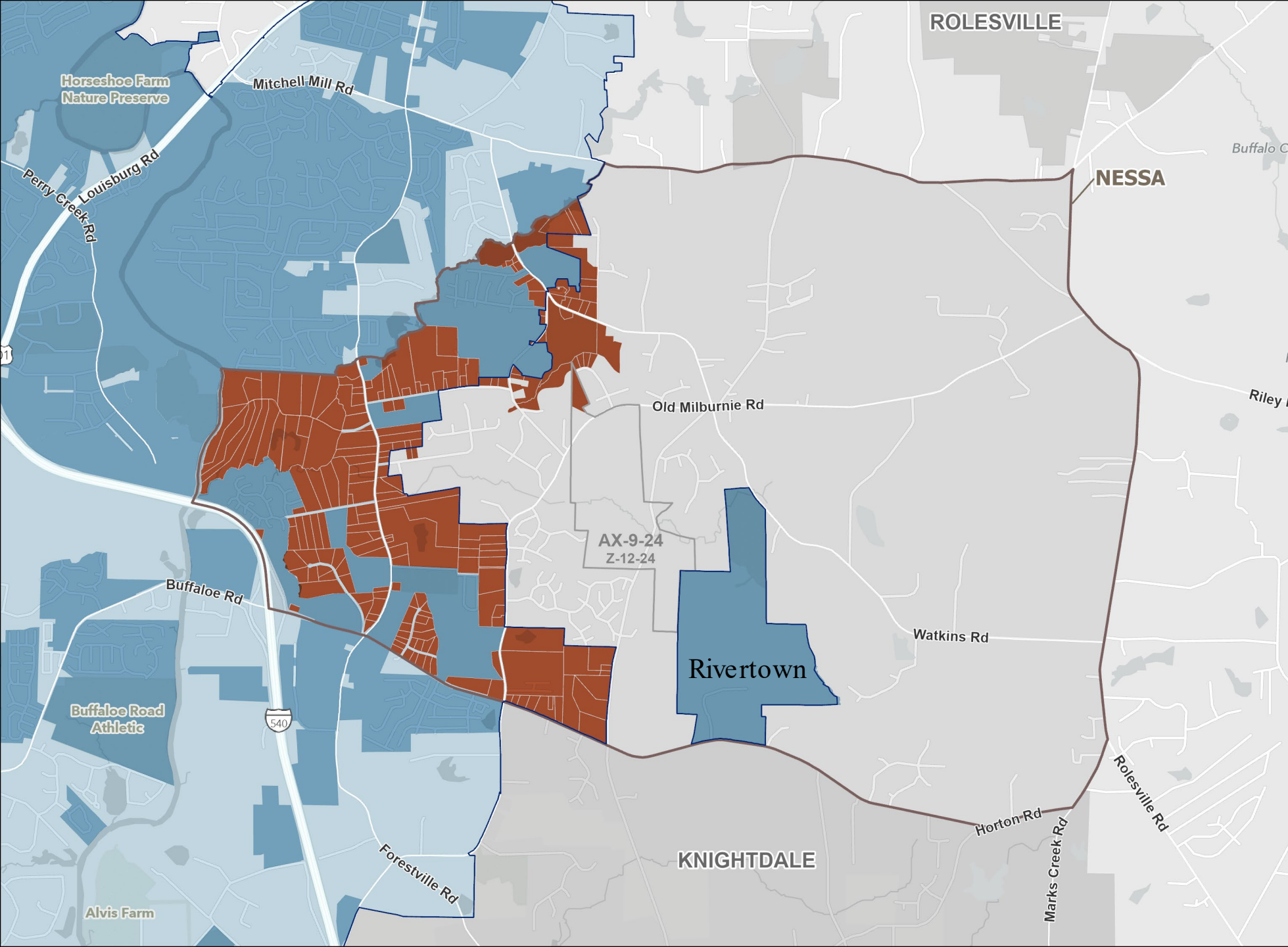
- Mapped representation of City of Raleigh annexation resolutions and North Carolina law
- Dark green shows properties currently eligible for annexation

 Eligible for Annexation as of May 2025	Jurisdiction Boundaries
 Public Land, Railroad & Public Utilities	 Raleigh Jurisdiction
 3 Mile Buffer**	 Contiguous Corporate Limits
 Annexation Agreements	 Satellite Corporate Limits
	 Other Planning Jurisdictions



Current Eligibility

- 23,321 acres eligible (current corporate limits is roughly 96,000)
- Current eligibility does not represent significant expansion of service area – most of eligible land is within Extra Territorial Jurisdiction (ETJ)
- Eligible land is more than ample to accommodate demand in the near-term
- Additional revenue in existing eligible areas improves our ability to provide high quality service



Annexation Eligibility

Existing Conditions

Parcels Eligible for Annexation*

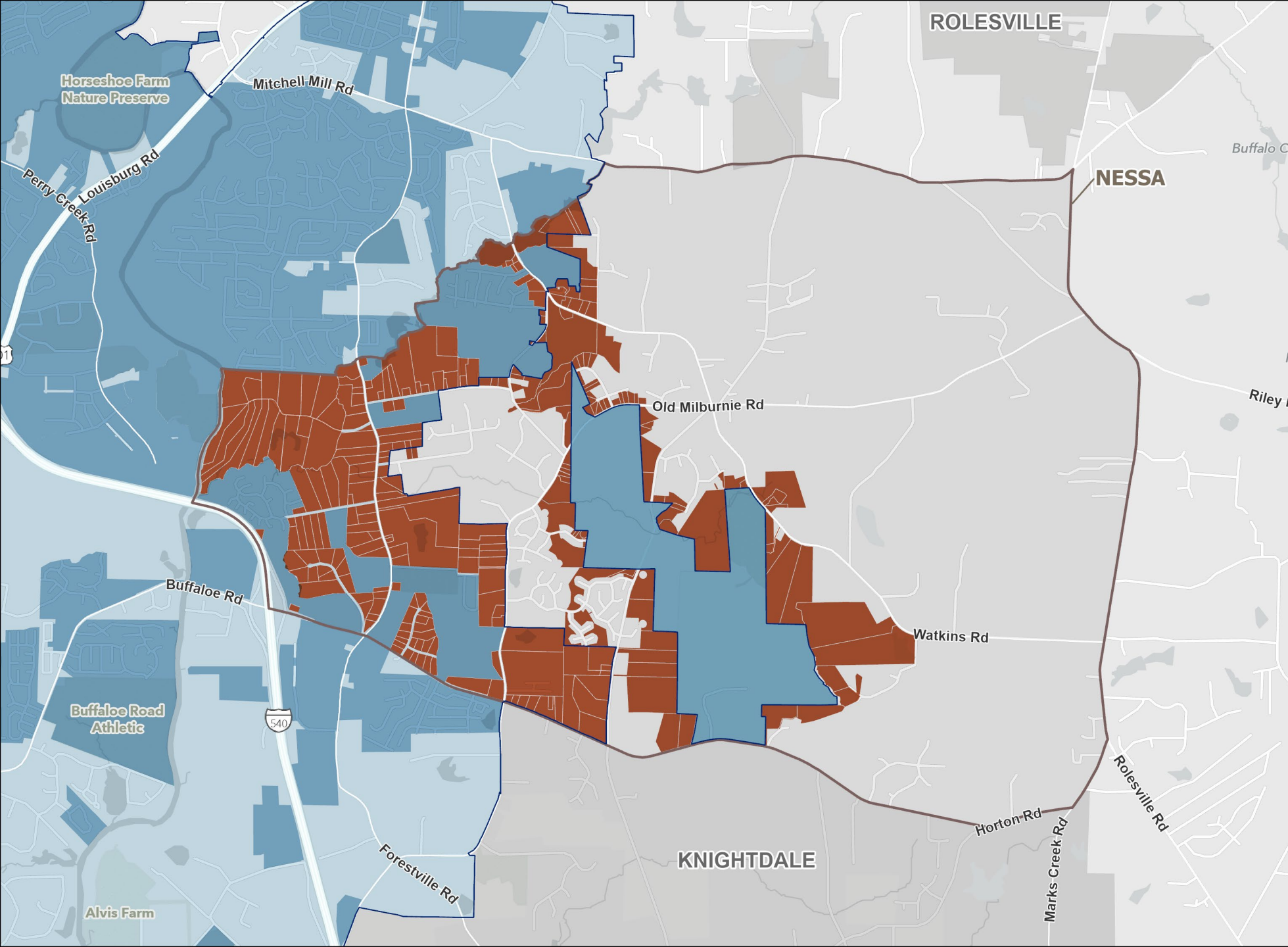
Raleigh Jurisdiction

Corporate Limits

Extraterritorial Jurisdiction

Jurisdictional Boundary

**Per Resolution 2022-380*




Potential Annexation Eligibility

Post AX-9-24 Annexation

 Parcels Eligible for Annexation*

Raleigh Jurisdiction

 Corporate Limits

 Extraterritorial Jurisdiction

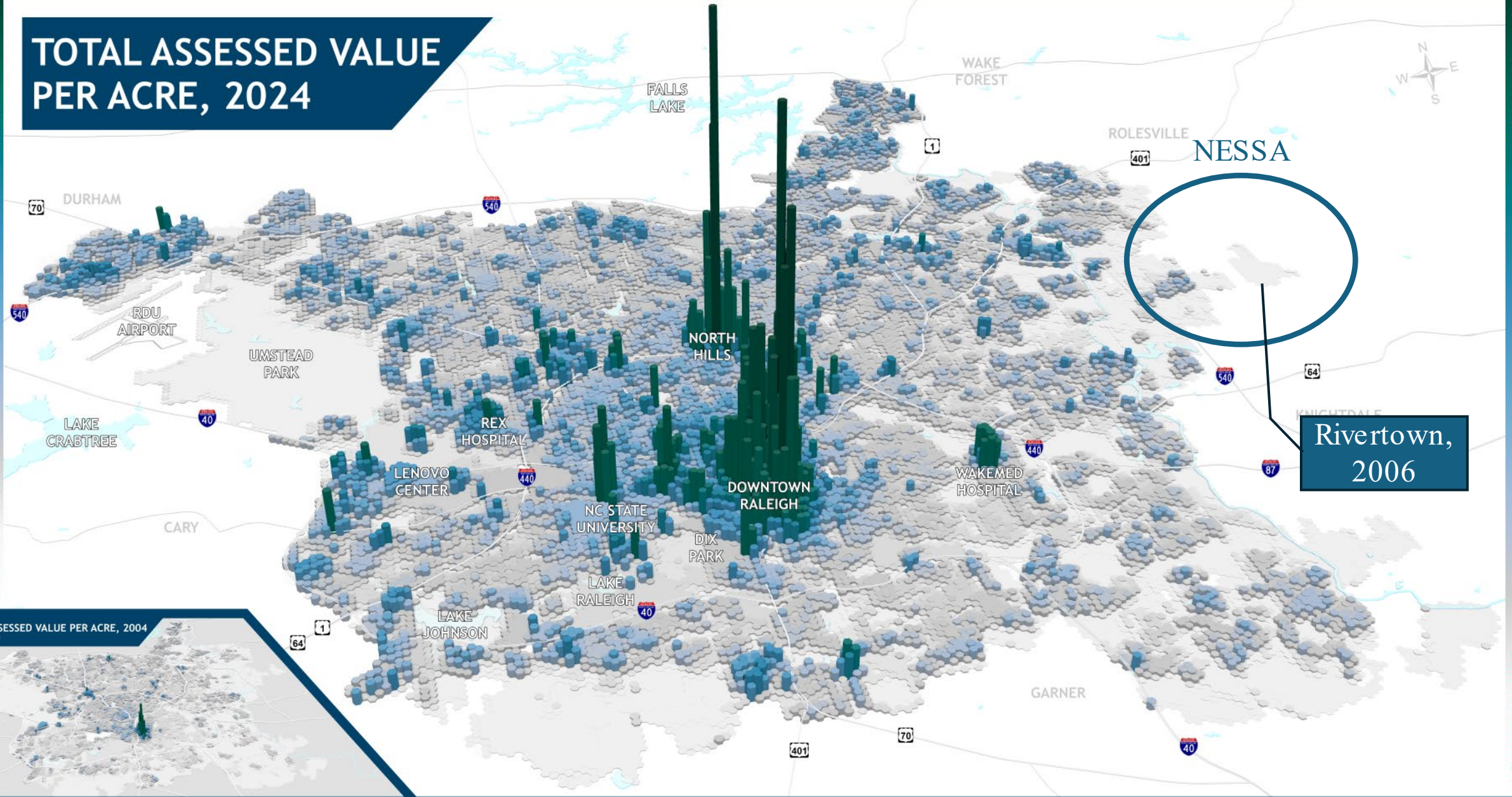
 Jurisdictional Boundary

*Per Resolution 2022-380

TOTAL ASSESSED VALUE PER ACRE, 2024

HIGHER VALUES

LOWER VALUES



HIGHER VALUES

LOWER VALUES

NESSA

Rivertown, 2006

TOTAL ASSESSED VALUE PER ACRE, 2004
(2024 DOLLARS)





Reflecting Raleigh

THE NEXT COMPREHENSIVE PLAN

Upcoming Work

- Cost of Growth Study
 - Development of marginal analysis of annexation cost/revenue
 - Capital Needs Assessment
 - Fee Study

Key Takeaways

- There is eligible land available for annexation to meet the near-term demand for growth.
- Annexing currently eligible land does not significantly expand our service area.
- Pausing the annexation eligibility creep will allow for a more thoughtful and calculated decision framework on how and where we grow.

Next Steps

- Cost of Growth Study/Reflecting Raleigh
 - This work is in motion
- More cost/revenue reporting after cost of growth analysis to inform future decisions

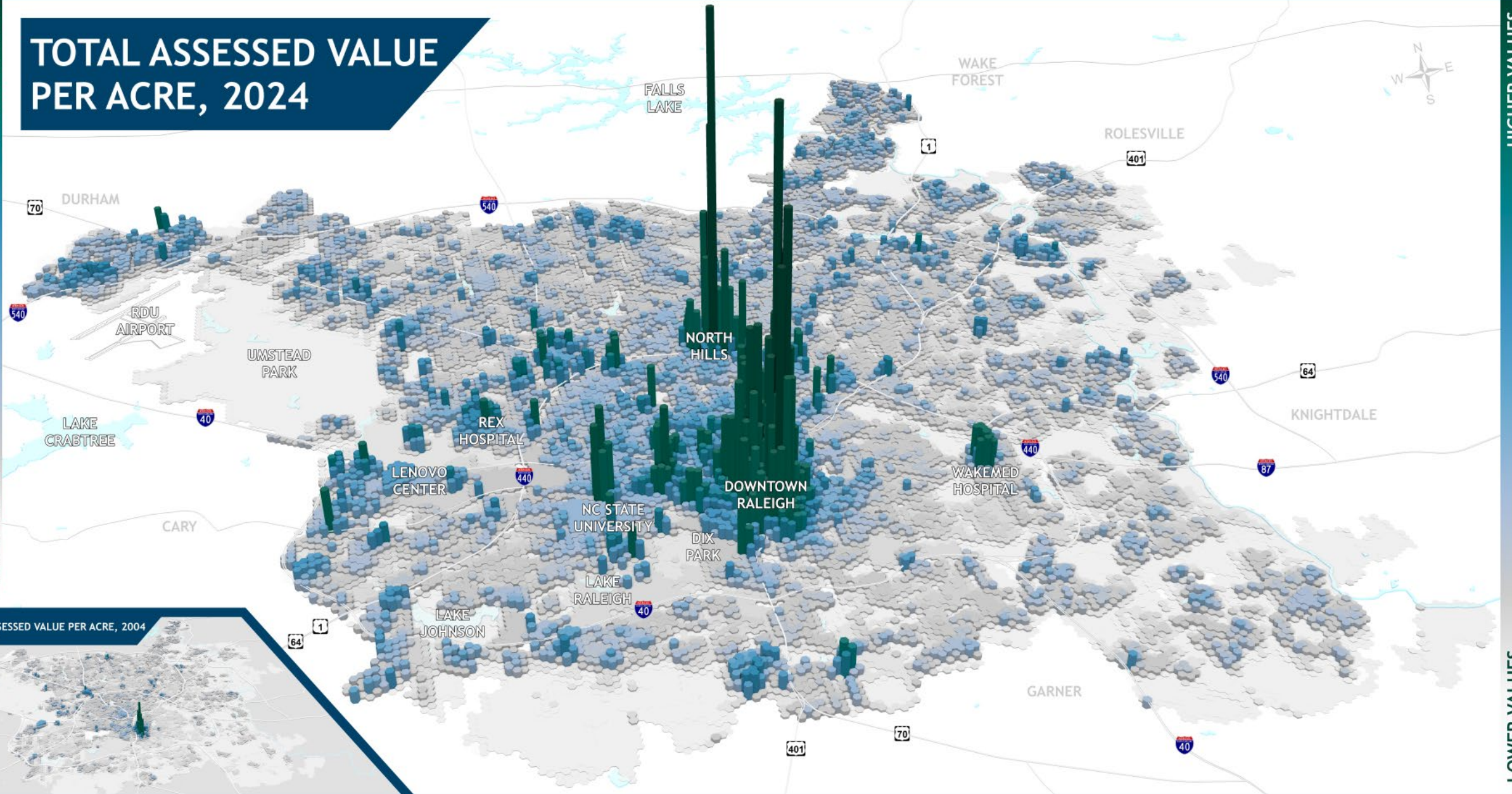
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TOTAL ASSESSED VALUE PER ACRE, 2004
(2024 DOLLARS)



City Council Considerations

- Does City Council desire to establish a fixed area eligible for annexation for a period of time?
 - Staff recommends at least 12 months
- Temporary policy change via Council resolution and map
 - Staff recommends October 21 agenda

Questions