

Ranucci v. City of Palmetto, 317 So. 3d 270 (Fla. 2d DCA 2021).

Second DCA Holds that the City of Palmetto's Enforcement of Annexation Agreement was Time-Barred

In 1993, the owner of Snead Island Estates West and Snead Island Estates North entered into an agreement with the City of Palmetto (the "City") in which the City would provide water and sewer services in exchange for the eventual annexation of the land. This annexation agreement, which was not recorded, was also binding upon the owner's successors and assignees.

On March 31, 1994, the owner conveyed both parcels of land to the Snead Island Development Corporation (the "Developer"). On April 13, 1995, the Developer recorded a declaration of covenants, conditions, and restrictions (the "Declaration") for Snead Island Estates West (the "Subdivision") in public records. Five years later, the Developer amended the annexation section of the Declaration. Then, in 2003, Joseph and Rose Ranucci purchased a lot within Snead Island Estates West. The City's property became contiguous to their lot on February 2, 2004. The Ranuccis did not petition the City for annexation, and the counsel for their Home Owner's Association (the "HOA") sent a letter to the City claiming that "in the event the City of Palmetto seeks to compel 'voluntary' annexation of the Subdivision into the City on the basis of the 1993 annexation agreement or otherwise, [the HOA] will vigorously challenge such action." The HOA then amended the Declaration, which did not contain a provision about annexation.

In February and April 2017, the City sent letters to the HOA and the Ranuccis, respectively, explaining that the Subdivision had become contiguous to the City's property and insisting that the HOA petition for annexation of all common areas owned by it pursuant to the 1993 annexation agreement. Both the HOA and the Ranuccis responded they did not intend to petition for annexation. Subsequently, in August 2017, the City filed a complaint for declaratory relief against the Ranuccis. The HOA moved to intervene, and trial court granted the motion. The City then filed an amended complaint which included the HOA.

After a non-jury trial in January 2020, the trial court entered judgment in favor of the City and found that "the action is not barred by the statute of limitations since the parties' obligations are continuing in nature, the 1993 annexation agreement is valid and enforceable, the HOA and the Ranuccis were on notice of the agreement pursuant to the 2000 amendment to the declaration of covenants, the City became aware that the 'conditions were ripe for annexation of the lots within . . . Amberwynd of Snead Island' in early 2004, the Ranuccis' lot is contiguous to the City's property, and the Ranuccis and the HOA are obligated to comply with the annexation agreement." The HOA and the Ranuccis appealed.

Although no party disputed that the Ranuccis' lot became contiguous to the City's property in 2004, the Ranuccis and the HOA contended that the City was required to seek specific

performance of the annexation agreement by February 2005 and seek declaratory relief by February 2009; the City had done neither. The court reasoned that the City's claim for specific performance and declaratory relief had accrued, and the five-year limitations period had begun to run, when the lot became contiguous to the City's property and the Ranuccis subsequently failed to petition for annexation. Accordingly, the City's request for specific performance of the annexation agreement was time-barred. The court explained that even though the City knew that the Ranuccis' lot had become contiguous to the City's property and that the HOA had no intention to petition for annexation, the City had waited thirteen years to decide to enforce the annexation agreement, which is "exactly the type of conduct that a statute of limitations is designed to prevent." As such, the court held that the trial court erred in concluding that the City's claims were not time-barred.