

TOWN COUNCIL MEETING

Kiawah Island Municipal Center

Council Chambers

October 1, 2019; 2:00 PM

Minutes

I. **Call to Order:** *Mayor Weaver called the meeting to order at 2:00 pm.*

II. **Pledge of Allegiance**

Present at the meeting:

Craig Weaver, Mayor

Chris Widuch, Mayor Pro Tem

Maryanne Connelly, Councilmember

Dan Prickett, Councilmember

Klaus Said, Councilmember

Also Present:

Stephanie Monroe Tillerson, Town Administrator

Dwayne Green, Town Attorney

Petra Reynolds, Town Clerk

Notice of the meeting was posted with the Media 24 hours in advance, according to the Freedom of Information Act. All Town Council meetings are recorded for a complete transcript

III. **Approval of Minutes:**

A. Minutes of the Town Council Meeting of August 6, 2019

Mayor Pro Tem Widuch made a motion to approve the minutes of August 6, 2019, and September 10, 2019 Town Council Meetings. The motion was seconded by Councilmember Prickett, and the minutes were unanimously approved.

B. Minutes of the Town Council Meeting of September 10, 2019

Mayor Pro Tem Widuch made a motion to approve the minutes of September 10, 2019, and September 10, 2019 Town Council Meetings. The motion was seconded by Councilmember Connelly, and the minutes were unanimously approved.

IV. **Mayor's Update:**

Mayor Weaver began by explaining the Public Comments process. He asked that speakers limit their comment time so that everyone has the opportunity to speak, to be succinct, mindful of duplicate comments, and to be courteous and respectful to other speakers. He also reminded speakers that Public Comments is not a debate nor a two-way conversation but instead an opportunity for Council to receive input on community concerns in order to make better decisions.

Mayor Weaver gave a brief overview of the Council discussion process. He stated that both the ordinances amending Short-Term Rentals are at their first reading and a vote should not be perceived as a final verdict. Between the first and second readings, there is the opportunity to make changes, obtain additional feedback, or to follow-up on issues. He noted that this is the first time the complete Council has met to discuss the proposed amendment face to face.

Mayor Weaver explained that for Council members to discuss a matter, a motion must be made and seconded. This is not a vote to approve, but instead opens the floor for discussion and then a vote is taken when discussion is concluded. He noted that four things could come out of the discussion. The council could vote to;

- 1) table the item
- 2) motion to amend the item
- 3) concerns or issues are identified which staff is instructed to take up between first and second reading
- 4) reject the item

V. Citizens' Comments (Agenda Items Only):

Members of Town Council received numerous emails of public comment addressing concerns on the proposed amendment of the Short-Term Rental Application and Regulations. A copy of the comments can be found at the Town Clerk's Office or on the Town's website www.kiawahisland.org.

During the public comment period of the meeting, the Council also heard similar comments both for and against the amendment. Persons who spoke included:

Allen Allred – 581 Whimbrel Road
 David DeStefano - 31 Burroughs Hall
 Patrick Sheppard – 143 Hooded Merganser
 Greg VanDerwerker – 510 Ruddy Turnstone
 Wendy Kulick – 38 Marsh Edge Lane
 Wendy Kulick – read a statement for Candace Dyal – 23 Ocean Course Drive
 Toulou DiGiovanni - 51 Cotton Hall
 Charlie Lipuma – 201 Horned Grebe Court
 Michael DiGiovanni - 51 Cotton Hall
 Ellen Walkley - 574 Whimbrel Road
 Lawrence Bass - 4109 Summer Duck Way
 Scott Nelson - 65 Persimmon Court
 Kelsey Entner – Legal Counsel for Inspirato Vacation Club – Denver CO
 Ross Appel – Legal Counsel for Exclusive Resorts, LLC – Charleston
 Beth Driskell – 4102 Summer Duck Way
 Illene Olanoff – 7 Greensward Road
 Paul Nelson – 410 Amaranth Road
 Barb Waters – 4108 Summer Duck Way
 Bill Duncan – 147 Hooded Merganser and 213 Glenn Abby

VI. Old Business:

None

VII. New Business:

- A. To Consider Approval of Ordinance 2019-08 - An Ordinance Repealing Article 15, General Offenses, Chapter 8, Short-Term Rental Permit and Regulations of the Kiawah Island Municipal Code; by Amending Article 14, General Regulations and Adding Chapter 5, Short-Term Rental Application and Regulations – First Reading.**

Ms. Tillerson stated the process of revision of the Town's Short-Term Rental (STR) ordinance was a goal identified at the Council Retreat in January. The guiding principles of the revision were to ensure public safety, promote consistency with the Kiawah brand and standards, balance impact of rental properties on the community, improve compliance, and to keep ahead of a rapidly evolving short-term rental industry. She indicated that there were numerous comments and concerns expressed when the first draft of the ordinance was released to the community. Taking these into consideration, Ms. Tillerson reviewed a summary of the recommended changes and additions.

Ms. Tillerson discussed the Town's citation process, the role of the Code Enforcement officers, and the possible recommendation for additional staff to focus on the enforcement of the STR regulations.

Mayor Pro Tem Widuch made a motion to approve the first reading of Ordinance 2019-08 - An Ordinance Repealing Article 15, General Offenses, Chapter 8, Short-Term Rental Permit and Regulations of the Kiawah Island Municipal Code; by Amending Article 14, General Regulations and Adding Chapter 5, Short-Term Rental Application and Regulations. Councilmember Connelly seconded the motion.

Mayor Weaver asked that Council Members limit the first discussion with respect to the ordinance without CAPS, followed by discussion of the STR CAPS. Mayor Pro Tem Widuch began the discussion by stating that in his research of the STR topic, his review of the Town's Comprehensive Plan, the goals found in the formally adopted document meant to inform Town leaders and professional staff where to focus their attention brought him clarity on this issue. He then reviewed the vision statement, and the number one goal in the Comprehensive Plan, to protect and preserve the residential character of the community while maintaining the benefits inherent in the resort component was a goal worth defending and expressed his support of the broad outline of the ordinance.

Councilmember Connelly stated that some of the public safety issues that come with over occupied rentals, the lack of an exit plan, and driveway space for emergency vehicles have not even been addressed. She stated that *Quality of Life* is the reason, first and foremost, why people choose to reside on Kiawah Island. Some of the Kiawah residents are full time, some part-time, but each has the common goal to enjoy and preserve this quality of life. Both full and part-time residents, along with property owners, bear the greater responsibility in maintaining Kiawah standards.

While Kiawah welcomes visitors and enjoys the economic benefits they bring, Councilmember Connelly stated she believed that controlling the supply of rental properties and proper code enforcement is necessary to maintain what is loved about Kiawah Island. Councilmember Connelly stated that with time put into the study, discussion, and questions, she supported the direction provided by the ordinance.

Councilmember Prickett stated a big responsibility of the Town, as stated earlier, is the implementation of a clear and concise set of rules that apply to everybody and the staff available to enforce those rules. He indicated that he supported annual STR licenses that, with repeated violations can be suspended or removed, and that ends when you sell your property. He did add that it was important the property owner or owners' agent be held accountable that renters understand the rules when arriving.

Councilmember Prickett felt there was a problematic area in the ordinance that centers around some vacation clubs who do not feel responsible for the payment of accommodation taxes. In his opinion, this is an issue that must be resolved and will require further discussions with those entities.

Councilmember Prickett was in support of these issues in terms of short-term rental licensing rules and regulations.

Councilmember Said agreed with the comments made by other members of Council, along with the public, there needs to be a focus on enforcement. He was also in agreement with the suspension of an STR license with repeated violations and convictions in Municipal Court.

Councilmember Said raised the subject of fees for further discussion by staff. He indicated that the proposed application fee of \$1,500.00 and \$200.00 for villas is appropriate. The cost of enforcement, done correctly, will be expensive and should be assumed by those who provide rental accommodations. He also requested that during the discussion of the number of licenses that will be available before going to a waitlist, that a supplementary application fee in addition to the regular annual fee is imposed for first-time applicants as a mechanism to prevent the hoarding of licenses.

Mayor Weaver stated that revised ordinance language was well composed and that 90% of what is included was in the original ordinance but cleaned up and rewritten for better clarity on the expectations for rental owners and property managers and to make it more enforceable. He agreed that there are two areas which need further discussion and possible language revision; the issue with vacation clubs and the issue that was raised by Councilmember Said on the fee structure suggesting that staff, with the Council Liaison, look at options by evaluating the projected costs and the revenue impact for review.

Mayor Pro Tem Widuch began the discussion by pointing out that no one is suggesting that the proposed ordinance will ban or reduce STR's but manage their growth. The unlimited rental position relegates full-time residents to the role of a silent partner, forced to accept whatever is forced upon them without raising objection. He explained how the ordinance would work; rentals can continue in most R2 and all R3 zones without restriction. Rentals are allowed to grow in the R1 and select R2 areas by up to 60% above today's level.

Mayor Pro Tem Widuch stated that caps and/or bans on STRs is an issue that a lot of towns are dealing with the exact same debates and arguments. Those who have a financial interest in renting out their homes want there to be no limits to STRs. The full-time residents of these towns want their concerns heard and their rights given at least some consideration. Communities across the country, especially those in high-end tourist locations, are taking steps to limit the proliferation of STRs.

Councilmember Said stated that he is a believer in certain parts of Kiawah as a residential community and that residential communities ultimately get destroyed if you have an overabundance of highly transient short-term rentals. In addressing the statement that the ability to rent is absolutely critical, he indicated that currently, 13% of the homes in R1 have rental licenses, and in the restructured proposal would permit approximately 200 additional licenses allowing for that many more rentals. He added that he supported the structure of the proposed ordinance because it minimized hardship.

Councilmember Prickett discussed comments made on the different options expressed on what effect the STR Ordinance would have on property values and real estate sales. He challenged the professional realtors to come back to Council with an alternative to the cap that makes sense.

Councilmember Connelly agreed that the number of rentals that will be allowed by the proposed ordinance is significant, and she felt that what Council is suggesting is not going to hurt people as much as it would seem.

Mayor Weaver acknowledged the work done in the preparation of the proposed ordinance along with the changes that were made in the past month. He explained the decision to include all of the developed lots on the island in determining the number of licenses. He also discussed the comments and concerns he received from the public, the reason for the changes and additions, along with his support of the proposed ordinance.

Mayor Pro Tem Widuch amended his motion to approve the first reading of Ordinance 2019-08 with two directions to staff to look at the Vacation Destination Club issue and the level of fees that have been published. The motion was seconded by Council member Said and was unanimously passed

Following the discussion the first reading of Ordinance 2019-08 was unanimously passed. Council voted as follows:

<i>Councilmember Maryanne Connelly</i>	<i>yes</i>
<i>Councilmember Dan Prickett</i>	<i>yes</i>
<i>Councilmember Klaus Said</i>	<i>yes</i>
<i>Mayor Craig Weaver</i>	<i>yes</i>
<i>Mayor Pro Tem Chris Widuch</i>	<i>yes</i>

- B. To Consider Approval of Ordinance 2019-07 - An Ordinance to Amend Chapter 12, Land Use Planning and Zoning of The Town of Kiawah Island, By Amending Article II, Division 3, Section 12-102. – Principal Uses and Use Regulations; Article IV, Section 12-374. – Definitions; and Adding Article I, Division 3, Section 12-107. – Short-Term Rentals – Public Hearing and First Reading.**

Mr. Taylor presented an explanation of the proposed changes to the Town’s Zoning Ordinance. He stated that the proposed STR Ordinance changes would require the amendment of Sec. 12-102 - Principal Uses and Use Regulation, Sec. 12-374 - Definitions, and to create Sec. 12-107 - Rental Applications and Regulations. Mr. Taylor stated that the Planning Commission has reviewed the Zoning Ordinance Text Amendment Applications and voted unanimously for approval to Council.

Councilmember Said made a motion to open the Public Hearing for Ordinance 2019-07. The motion was seconded by Mayor Pro Tem Widuch and unanimously passed.

Ross Appel – Attorney for Exclusive Resorts

Mr. Appel stated that Exclusive Resorts is deeply concerned about the manner in which the zoning ordinance amendments unfairly single out and target vacation clubs, which may or may not meet the definition of what business Exclusive Resorts conducts on Kiawah and expressed his opposition to the amendments.

Mayor Pro Tem Widuch made a motion to adjourn the Public Hearing for Ordinance 2019-07. The motion was seconded by Councilmember Said and unanimously passed.

Mayor Pro Tem Widuch made a motion to approve the first reading of Ordinance 2019-07 - An Ordinance to Amend Chapter 12, Land Use Planning and Zoning of The Town of Kiawah Island, By Amending Article II, Division 3, Section 12-102. – Principal Uses and Use Regulations; Article IV, Section 12-374. – Definitions; and Adding Article I, Division 3, Section 12-107. – Short-Term Rentals. The motion was seconded by Councilmember Connelly and was unanimously passed.

- C. Letter of Support of the Medical University of South Carolina’s Certificate of Need Application to the SC Department of Health and Environmental Control for a Freestanding Emergency Department and Medical Office Building to be located at 1884 Seabrook Island Road, Seabrook Island**

Mayor Weaver reported on a meeting with the Medical University of South Carolina (MUSC), who is preparing to announce the creation of a comprehensive academic medical center in the area. The center would include an emergency care facility, doctors’ offices and a helicopter pad on the top. To build the facility the law requires that MUSC will have to apply for and obtain a certificate of need from the state along with the Town’s support in the form of a letter to SC DHEC (Department of Health and Environmental Control). Council members agreed to send the support letter.

VIII. Town Administrator’s Report:

Ms. Tillerson reported that the clean-up efforts after Hurricane Dorian were completed last week. The current estimated expense for the clean-up stands at \$711,000.00. The cost includes the storm debris removal and chipping with the cost of transporting, disposal, and removal of storm debris at Town Hall. Ms. Tillerson estimated that the final total would be close to \$1M. She added that there is a possibility of FEMA reimbursement if the County meets the damage threshold.

IX. Council Member:

- a. Committee Updates
- b. General Comments

Councilmember Connelly reported that the Public Safety Committee would be meeting next Wednesday with the Fire Chief and Captain Martin going through the orders of protocol for fire and safety to understand what happens in an emergency.

X. Citizens' Comments:

Wendy Kulick – 38 Marsh Edge Lane

Ms. Kulick seconded the praises give to both the Town and the Community Association for how quickly the clean-up was handled following the hurricane.

David DeStefano – 31 Burroughs Hall

Mr. DeStefano said that on the comment about too many guests in homes, he would suggest eliminating the two times to plus two. On the fee calculation, he suggested prorating the fees based on how long they want to rent through the year.

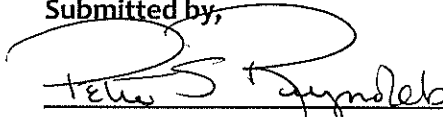
XI. Executive Session:

None

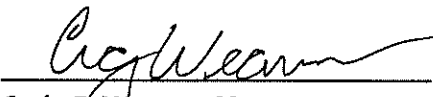
XII. Adjournment:

Mayor Pro Tem Widuch motioned to adjourn the meeting at 5:19 pm. The motion was seconded by Councilmember Connelly and carried unanimously.

Submitted by,


Petra S. Reynolds, Town Clerk

Approved by,


Craig E. Weaver, Mayor

11-7-2019
Date