

# STR Ordinances – First Reading

October 28, 2024 @ 9:30 AM

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Kiawah Island Town Hall, Council Chambers  
4475 Betsy Kerrison Pkwy  
Johns Island, SC 29455



## MINUTES

### CALL TO ORDER

Mayor Kleinman called the meeting to order at 9:31 am.

### ROLL CALL

**Town Council Members Present:** Mayor Kleinman; Councilmembers Darryl May, Gordon Weis, Raymond Hamilton and Dan Kortvelesy.

**Town Staff Present:** Joe Cronin (Town Administrator), Mac McQuillin (Town Attorney), Tyler Newman (Zoning Administrator), Beth Rinehimer (STR Compliance Manager), and Peter Wiggins (Town Clerk).

### FOIA STATEMENT

The Town of Seabrook Island was in compliance with South Carolina FOIA statutes. Agendas were posted and furnished to news media and all persons requesting notification.

### ORDINANCES FOR FIRST READING

Mr. May's Point of Personal Privilege

Mr. Kleinman recognized Mr. May on a point of personal privilege.

Mr. May addressed comments made by the Seabrook Island Property Owners Association (SIPOA) related to the pending short-term rental (STR) ordinances and livability issues. Mr. May said he thought their comments were wrong in two fundamental ways and he wished to correct the record.

Mr. May stated he thought that SIPOA's comments claiming the Special Committee on Short Term Rentals and Town Council were enacting new ordinances that SIPOA already regulates were misleading. Mr. May stated the comments were factually inaccurate as the rules being considered were rules the Town of Seabrook Island already enforces.

Mr. May said during public meetings related to the pending STR ordinances, he reached out to SIPOA in an effort to coordinate enforcement duties. He stated SIPOA rejected the Town's efforts to collaborate.

Mr. May read two emails he sent to Dave Brown of SIPOA in preparation for meetings of the Special Committee on Short Term Rentals. He stated Mr. Brown responded that SIPOA would probably

not pursue any “special initiatives” prior to receiving results of a strategic survey and the pending completion of the Seabrook Island Master Plan.

Mr. May stated it was “very wrong” for SIPOA to make comments at public hearings that claimed the Town was going out of its way to “step on SIPOA’s toes” without acknowledging the efforts made by the Town to coordinate enforcement efforts.

Lastly, Mr. May said he heard from many residents that livability is a concern on Seabrook Island, and that their views are in contrast to the views of SIPOA that “everything is great and that nuisance violations are few and far between.”

Mr. May read a comment received by the Town claiming that, because of illegal parking by short-term renters, they were unable to leave their parking spot. He further read that the resident had only two options, call the gate or try and rectify the situation themselves. The resident stated that calls to the gate resulted in no action.

Ordinance 2024-09

Mayor Kleinman sought unanimous consent to reorder the agenda. There being no objection, Ordinance 2024-09 was immediately considered.

Mayor Kleinman motioned to postpone consideration of the ordinance until January 28, 2025, seconded by Mr. Weis.

**The motion was approved UNANIMOUSLY.**

Ordinance 2024-06

Mr. May made a motion to approve the ordinance as written seconded by Mayor Kleinman.

Mr. Kortvelesy made a motion to amend the ordinance to allow an uncapped number of STR’s in the overlay district. The motion was seconded by Mayor Kleinman.

Mr. May stated he was completely opposed to allowing uncapped short-term rentals in the overlay district. He stated the amendment would undercut the work that has been done on the short-term rental ordinances up to this point.

Mr. Weis stated that some regimes on Seabrook Island are rented to the extent that the possibility of regimes passing their own caps was unrealistic.

Mr. Hamilton stated that he thought the idea of uncapped rentals in the overlay district was not a bad idea, but that after talking to residents he changed his opinion, and that a cap was needed.

Mayor Kleinman stated he was struck by how few comments the Town received that were in support of his Seabrooker article from October 2024. He stated that there was a mix of opinions on STR's from residents who live in regimes. He stated that some people support the idea of having a cap and some are opposed to a cap. He stated that for whatever reason, those individuals that are opposed to a cap chose not to participate in the public comment process.

The council then voted on Mr. Kortvelesy's motion to uncap rentals in the overlay district, the vote was as follows:

Mr. Hamilton	Nay
Mr. Kortvelesy	Yea
Mr. May	Nay
Mr. Weis	Nay
Mr. Kleinman	Nay

**Mr. Kortvelesy's amendment FAILED, 4 – 1.**

Mr. Hamilton motioned to amend the ordinance to change the number of short-term rentals allowed inside the overlay district to 557 from 540, and outside the overlay district to 110 from 105. He stated he based his numbers on deliberations had by the Special Committee on STR's. His motion was seconded by Mr. May.

Mr. May said the cap numbers currently in the ordinance represented a compromise amongst the committee members of the Special Committee on STR's. He stated he would prefer a number lower than what was currently being proposed, but that the current ordinance cap and the cap proposed by Mr. Hamilton's amendment was not that different.

Mr. Kortvelesy motioned to amend the ordinance establishing the cap at 10% of currently constructed homes outside the overlay district, and further, that the number of STR's allowed would change in accordance with the number of homes in existence as of January 1 of each calendar year. The motion was seconded by Mr. Hamilton.

Mr. Weis said he was opposed to the 10%. He stated he preferred a flat number.

Mr. May stated he was opposed to the 10% amendment because the current proposal made by Mr. Hamilton was too high.

Mr. Hamilton asked Mr. Cronin how many homes exist outside the overlay. He deferred to Ms. Rinehimer who stated the current number of homes existing outside the overlay is 1,090.

Mayor Kleinman urged the council to remember how the total cap number was derived. He stated that 667 proposed by Mr. Hamilton was derived by the STR committee as 25% of properties at full build-out. He stated that if the council were to vote in favor of the 10%, adjusting on January 1 of each year, there would be some administrative effort involved that would not be justified.

Mr. May reminded the council that properties currently being constructed could get an STR permit regardless of any cap due to grandfathering provisions currently in the proposed ordinance.

Mr. Kortvelesy stated his 10% proposal would allow future residents who are building homes over the next five or six years some hope of obtaining an STR permit. He stated under the current proposal, new owners would have no hope of obtaining a rental permit.

Mayor Kleinman stated that the number of permits existing outside the overlay district changes periodically, even dropping below the proposed cap, so there would be opportunities for future residents to obtain rental permits.

The council then voted on Mr. Kortvelesy's amendment setting the cap at 10% and allowing the number of permits to adjust yearly, the vote was as follows:

Mr. Hamilton	Nay
Mr. Kortvelesy	Yea
Mr. May	Nay
Mr. Weis	Nay
Mr. Kleinman	Nay

**Mr. Kortvelesy's amendment FAILED 4 – 1.**

Mr. Kortvelesy motioned to amend the ordinance to remove multi-family property regimes from the overlay district. The motion failed due to lack of a second.

The council then voted on Mr. Hamilton's motion to raise the number of allowable STR permits to 557 inside, and 110 outside the overlay district.

**Mr. Hamilton's amendment was passed UNANIMOUSLY.**

Mayor Kleinman motioned to amend Ordinance 2024-06 to allow individuals who are receiving the legal residence exemption allowed under SC Code §12-43-220, be exempt from caps in the proposed ordinance. Mr. Kortvelesy seconded the motion.

Mr. May stated he viewed the amendment as allowing homeowners who are undergoing some type of medical hardship to rent while they cannot occupy the property. He further motioned to amend the prior motion so that legal residence rental permit holders were restricted to renting in one calendar year out of every four. The motion died due to lack of a second.

Mr. Hamilton said he was opposed to Mr. May's motion due to the difficulty of defining hardship. Mr. McQuillin stated that defining hardship as it might pertain to this ordinance could be difficult due to the subjective nature of defining a hardship.

Mr. Kortvelesy stated he was opposed to the Town being forced to judge an individual's hardship.

Mr. Weis also stated he was also opposed to the amendment.

Mayor Kleinman stated that the idea of a hardship was something he considered when proposing uncapped legal residence rental permits, but he felt that homeowners receiving the legal residence exemption have the right to rent their property.

Mr. Weis stated it was unlikely that some homeowners holding legal residence rental permits could meet the minimum income requirements of \$5,000 and \$10,000 proposed in the current ordinance.

Mr. May stated it was not his intention to force the Town into a position where they would be asked to judge what constitutes a hardship and what does not. He further stated that some homeowners leave Seabrook Island during the summer and that the 72-night rental maximum for legal residence taxpayers is enough to cover the most popular rental periods. He stated that allowing this uncapped permit would lead to unpredictability in the STR market on Seabrook Island.

Mr. Weis reminded the council of the City of Charleston's STR ordinance that established a 30-night minimum stay. He stated he felt that was a way to eliminate unpredictability.

Following a brief discussion related to ensuring fairness between part-time residents and full-time residents who are renting their property, the council proceeded to vote on Mayor Kleinman's amendment that

would provide for an uncapped number of rental permits among legal residents, the vote was as follows:

Mr. Hamilton	Yea
Mr. Kortvelesy	Yea
Mr. May	Nay
Mr. Weis	Nay
Mr. Kleinman	Yea

**Mayor Kleinman's amendment PASSED 3 – 2.**

Mr. Newman confirmed that Mr. Kleinman's amendment was consistent with the recommendation of the Planning Commission.

Mayor Kleinman ensured council that staff would keep them updated on the number of legal residents who are in possession of a rental permit.

Mr. Hamilton stated if the total number of permits issued exceeds 667, that council should be made aware and they should revisit the issue. Mayor Kleinman again, ensured the council that Ms. Rinehimer will keep them updated on the total number of issued rental permits.

Following a discussion related to ensuring homeowners that could not get an STR permit because of the proposed cap were not incentivized to claim their Seabrook Island property as their primary residence so they could obtain a legal resident rental permit, Mr. May made a motion to amend Ordinance 2024-06 to require the uncapped legal residence rental permit provision to expire in two years. The motion was seconded by Mr. Hamilton.

**Mr. May's amendment was passed UNANIMOUSLY.**

Mr. Hamilton asked Mr. Cronin what was intended by the proposed ordinance referring to "negligible rental activity." Mr. Cronin stated the ordinance sets total night minimums and income minimums that must be met, or the Town has the authority to revoke the rental permit. He stated that depending on the rental type, the income minimums are \$5,000 or \$10,000, and the nights minimum for all properties is 15.

The council then voted on Ordinance 2024-06 as amended.

**Ordinance 2024-06 as amended, was passed UNANIMOUSLY.**

Ordinance 2024-07

After a ten-minute recess, the council returned to consider Ordinance 2024-07. Mr. Weis motioned to approve the ordinance as written seconded by Mr. Hamilton.

Following a brief conversation related to procedural questions on amending the proposed changes to the zoning map in Ordinance 2024-07, the council passed Mr. Weis' motion.

**Ordinance 2024-07 was approved UNANIMOUSLY.**

Ordinance 2024-08

Mr. Weis made a motion to approve the ordinance as written, seconded by Mr. Kortvelesy.

Mayor Kleinman reminded the council that whatever the outcome of this ordinance, there will still be a need to amend Ordinance 2024-08 to incorporate amendments that were just made to Ordinance 2024-06.

Mr. Cronin addressed needed changes to Ordinance 2024-08. He stated that the increase in the base fee for STR's is due to Ordinance 2024-06 eliminating the annual rental permit fee. He stated that the base fee and the fee per \$1,000 of revenue is designed to be revenue neutral. He also stated that the ordinance allows for a temporary permit when ownership of a property is transferred. He stated that state law requires the new owner to honor the next 90 days of reservations. He said the temporary permit will allow the new owners to comply with state statutes. Mr. Cronin urged the council to make needed amendments to the ordinance at the current meeting.

Mayor Kleinman motioned to amend Ordinance 2024-08 to add Section 9.2 (c), to incorporate a legal resident rental permit with a base fee of \$150, and a fee of \$2.95 per \$1,000 of income. The motion was seconded by Mr. Kortvelesy.

**Mayor Kleinman's amendment was approved UNANIMOUSLY.**

The council then proceeded to vote on the ordinance as amended.

**Ordinance 2024-08 as amended was approved UNANIMOUSLY.**

### **COUNCIL COMMENTS**

Mayor Kleinman reminded the council that second reading of the ordinances as amended will be at the Kiawah Island Town Hall on November 20<sup>th</sup>. He stated that after staff incorporated amendments into the ordinances, they would be posted on the Town's website for all to review.

Mr. Cronin stated that the amendments made to Ordinance 2024-06 will need to be reviewed by the Planning Commission. He stated that the amendments will be on the November 13<sup>th</sup> agenda of the Planning Commission.

Mr. May stated that postponing consideration of Ordinance 2024-09 will give SIPOA and the Town another opportunity to collaborate on the proposed rules.

**ADJOURNMENT**

There being no further business before the council, Mayor Kleinman declared the meeting adjourned at 12:28 pm.

Peter D. Wiggins II  
Town Clerk



