



**CITY COUNCIL MEETING**  
**6:00pm, Tuesday, February 28, 2023**  
**1207 Palm Boulevard, Isle of Palms, SC and**  
**broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

**MINUTES**

**1. Call to order**

Present: Council members Hahn, Bogosian, Ward, Streetman, Anderson, Popson, Miars, Pierce (via Zoom), and Mayor Pounds

Staff Present: Administrator Fragoso, Director Kerr, City Attorney McQuillin, various department heads

**MOTION: Mayor Pounds made a motion to suspend the rules of order to reorder the agenda to allow the LOWVELO presentation to be heard ahead of Citizen's Comments. Council Member Hahn seconded the motion. The motion passed unanimously.**

**2. Special Presentations**

**Consideration of request for City sponsored status from LOWVELO for fundraising bike ride on November 4, 2023**

Debbie Bordeau of LOWVELO came before City Council seeking City-sponsored event status for the LOWVELO fundraising bike ride on November 4, 2023. Council Member Streetman spoke highly of the event.

**MOTION: Council Member Ward made a motion to approve the event as a City-sponsored event. Council Member Streetman seconded the motion. The motion passed unanimously.**

**3. Citizens' Comments**

Glenda Nemes spoke about the Attorney General's 2022 opinion on DMOs. She said the City needs more decision-making power over the 30% funds. She shared several CVB publications where the Isle of Palms is mentioned but a few times. She believes IOP should follow the "Folly model" for the formation of a DMO and City Council should look into it.

Polly Judson said that hundreds of LLCs listed as owners of short-term rentals are locals and not "greedy corporations." She is unsure where property owners like her fall into the current short-term rental models being offered. She expressed concern about big houses taking over smaller houses and changing the character of a neighborhood. She believes the increase in short-term rental licenses was the "Toilet Paper Effect," where everyone got one so they were not left out.

Bev Miller said she is bothered by references to data that says caps are not needed. She believes the data being used to make decisions about short-term rentals is incomplete and inaccurate. She said residents are asking for a balanced decision based on real data.

Hallie Pfeiffer believes there is no way to predict the market and would like to see a cap put in place. She believes a cap to be a precautionary measure and insurance policy. She noted that municipalities all over the country are enacting such guardrails.

Sandra Brotherton would like to see STR licenses limited. She shared that recent water quality testing on the backend of the island indicated extremely polluted water. She spoke about the maps that show the growth of short-term rentals on the island over the years and about why she likes the plan set forth by Council Member Pierce. She also said she feels the people who signed the petition did so without proper information.

Brian Duffy's comments are attached to these minutes.

Steven Goodwin said STRs are 25% of South Carolina's \$24billion tourism industry. He spoke about Folly Beach's efforts to limit STRs. He said that noise and trash concerns can be managed through ordinances. He believes a cap has unpredictable consequences and would like City Council to vote no to a cap.

Michael Baily spoke against STR bans and moratoriums. He believes the City has an issue with daytrippers, not an STR issue. He said the biggest winner in a moratorium would be Wild Dunes. He encouraged Council to deal with the daytripper concerns.

**MOTION: Council Member Streetman made a motion to increase the amount of time for Citizen's Comments. Council Member Hahn seconded the motion. The motion passed unanimously.**

Al Clouse said the most recent draft of the noise ordinance is discriminatory and narcissistic. He would like to have commercial properties such as the Sweetgrass Inn carved out of the "traditionally identified commercial property" designation. He said 70 decibels is too high. He does not understand why speakers are not allowed in parks but are permitted in neighborhoods. He said the EPA recommends the maximum outdoor noise level be 55 decibels and indoors at 45 decibels. He encouraged Council members to review the minutes of the January 25 and February 14 Public Safety Committee meetings.

Laura Lovins said the issue of caps is a very dividing issue. She asked why all voices are not being heard and compromise being considered. She believes enforcement will not solve the problems and that the growth of STRs is a problem. She would like to have City Council put Council Member Pierce's plan into place and build resiliency into the plan for the future.

Randy Bell said the data being used to make the STR decision is flawed. He said the "lack of thoughtful debate" on the various proposals is "stunning." He said the community is organized and believes the issue will likely go to a referendum if the Council does not act on STRs.

Tony Santiago said there needs to be a “reasonable policy” put in place to control STRs. He believes Wild Dunes will use it against the City if they do not enact a cap on STRs. He does not want Mayor Pounds to negotiate with Wild Dunes.

Shelly Myles spoke about her family’s need to rent their house out. She acknowledged there are problems with STRs but believes workable solutions can be found.

Tom Schmidt said this process has gone on too long and the workshop process was a “problem.” He spoke about Council Member Pierce’s plans.

**4. Approval of previous meetings’ minutes**

- A. Special City Council STR Workshop – January 23, 2023**
- B. Special City Council Executive Session – January 24, 2023**
- C. City Council – January 24, 2023**
- D. Special City Council STR Workshop – February 6, 2023**
- E. Special City Council Workshop – February 13, 2023**

**MOTION: Council Member Streetman made a motion to approve the minutes and Citizens Comments, and Council Member Ward seconded the motion.**

**5. Old Business**

**A. Discussion of IOP Connector alternatives**

Council Member Ward said the Public Safety Committee voted 2-1 in favor of Option 3. Mayor Pounds said SCDOT’s public comment period closed on February 17. He expects the traffic consultants at the March meeting to talk about the findings.

Council Member Anderson spoke about her preference for Option 5. Her comments are attached to these minutes.

Council Member Streetman spoke in favor of Option 5. He noted that it is not only the Isle of Palms that will be involved in the final decision. Council Member Bogosian also spoke in support of Option 5 and asked if Council needed to take immediate action to notify SCDOT of their preference.

Administrator Fragoso said they have asked the consultants to review the data from the public comment period that recently ended. They will bring their findings to City Council. She noted that Mt. Pleasant will need to go through the same process of discernment.

Council Member Hahn pointed out that his preference for Option 3 came with a caveat that side railings and protective barriers must be added to the Connector to make it safe for pedestrians and bicyclists. He said that the City’s former and current fire and police chiefs all prefer having a center emergency lane. He said the City needs to work with Mt. Pleasant as SCDOT cannot do anything to the Connector without the approval of both municipalities.

Council Member Ward said he likes Option 3 based on input from the first responders. He is in favor of a center emergency lane.

Council Member Miars said she prefers Option 5 and believes Mt. Pleasant would be happier with two lanes coming off the island.

Council Member Popson expressed his preference for Option 3 and would like to see an emergency lane on the Connector. He said Mt. Pleasant would need to agree with Option 5 to get the road changed on the other side of the Connector.

Council Member Pierce expressed his preference for Option 5.

Chief Cornett said he can work with either option. He said that Option 3 gives them the ability to maneuver around a collision and Option 5 gets traffic off the island. He expressed concern about managing a collision in the inbound lane. He stated that a reversible lane is not manageable every weekend and added that response time has not suffered.

Chief Oliverius also confirmed that response time has not suffered. He said the fire department can work with any option, adding that an emergency lane was helpful in the past.

Administrator Fragoso said she will communicate to Secretary Hall that the Council is reviewing the options and public comment at this time.

#### **B. Discussion of proposed changes to the noise ordinance**

Administrator Fragoso said this is the first time the full City Council has seen the draft noise ordinance. This draft has been reviewed by the City Attorney. She added that this will go back to Public Safety for further review.

She then highlighted the differences between the current noise ordinance and this draft, noting that the addition of specific decibel levels facilitates enforcement efforts. Council Member Hahn pointed out that the Public Safety Committee has looked at several decibel level charts and is unsure which one is the best one to use. He suggested picking a number and testing its effectiveness.

Council Member Ward said the Front Beach area and the areas surrounding the Sweetgrass Inn are two very different areas and should be treated as such. People moving to the Front Beach knew what to expect from such a space. But those who bought near the Sweetgrass Inn had done so long before it was built, and the noise was not a consideration of their purchase. He does not believe there needs to be any adjustment to the noise levels in the Front Beach area. He would like a meeting with a representative from the Sweetgrass Inn and interested residents at the next Public Safety Committee meeting.

Council Member Anderson said the Committee has looked at ordinances from many different communities. She said the majority of municipalities set the decibel limit at 60 decibels during the day in residential areas and 55 decibels at night. She agreed that the Front Beach area and the Sweetgrass Inn need to be treated differently.

Administrator Fragoso pointed out that the suggested nighttime decibel level across the island is 55 decibels. The draft ordinance also includes a provision allowing entities like the Sweetgrass

Inn to petition City Council for exemptions to the noise ordinance for a certain number of hours or days per year. She also reviewed the penalties section of the ordinance.

She said, “My recommendation would be once we get a draft finalized that the City Council enacts something for a short period of time, maybe 6 months, 9 months, to allow us to see how it works and then be able to come back with some recommendations and adjustments based on what we are seeing on the field.”

**C. Discussion and consideration of alternatives for regulating short-term rentals**

Director Kerr reviewed the alternatives for the regulation of short-term rentals, noting that all options use Charleston County property tax records for the number of dwelling units. Council members attempted to clarify what it is that would be capped – single-family residences or the entire island.

Council Member Miars said, “I think the most effective thing to do would be to say what percent, typically when we talk of percents it means the percentage of blank. So you have to fill in that blank in order to make this make sense. You cannot just say 33%, 40%, 100% of what. You have to define the pie, and if the pie changes, the percentage changes. So the first one is 35% of single-family. If that is what we want, that is understanding that the multi-family dwelling units are not part of that percentage. So the equation is 35% of single-family plus 100%, if possible, of multi-family. If you really want to get down to the math of this, that is your equation for [Alternative] 1 and your equation for [Alternative] 1a would be 35% of all dwellings.”

Council Member Bogosian said he disagrees with the assumption “that the condos were built for short-term rentals.” He said many residents live in condominiums and doesn’t think that when the condos were built that they were built for the sole purpose of short-term rentals. He said, “The problem that I have with this is regardless we represent all island residents. To suggest that we are going to exclude part of those...these short-term rentals don’t impact just those people that live in the condos. They impact the whole island, so we have to take into consideration who we represent and not start to carve up and carve out for various and sundry reasons. I think it is a mistake on our part to do that.”

Director Kerr agreed that each alternative excludes some portion of the “housing stock.” He said Alternative 1a excludes condos. Alternatives 2 and 3 exclude everything in the Front Beach Commercial District.

Administrator Fragoso clarified, “Alternative 2 makes no distinction between properties that are 4% and those that are 6%. That distinction will show in Alternative 3. But the main difference between 2 and 3 is that you are just taking all dwelling units outside of the commercial district and limiting short-term rental licenses regardless whether they are issued to a property that is at 4% tax rate or a 6% tax rate.”

Alternative 4 is the original recommendation from the Planning Commission. Director Kerr noted that the cap proposed for two of the zones has already been exceeded. Council members

Bogosian and Pierce said that the Planning Commission's plan is now dated based on the numbers and would need to be revisited.

Administrator Fragoso said, "For the record, we are handing out one of the pages that was included in the packet that shows the breakdown of Alternative 4 which assumed the Planning Commission's model. Just updating the numbers. There are no assumptions on a cap there. It is just an updated number of where we are today compared to where Planning Commission's numbers were in 2020."

Director Kerr said of the Planning Commission's plan, "Their primary objective, and Councilman Pierce talked about it, was it was to basically lock in different areas at close to their current levels. They felt like there was a mass migration, kind of around the island, across the island, and they wanted to lock those percentages pretty much close to what they were at the time. The point has definitely been made that we are at a much, we have a lot more licenses today than we did then, but I think that logic of kind of locking different neighborhoods in at different densities probably still holds the same water for the Planning Commission that it did at that time. Again, that would be for them to say, not me."

Council Member Anderson believes that only a small percentage of short-term rental licenses are held by residents. Council Member Miars pointed out that no cap means that everyone dwelling on the island could have get a short-term rental license.

Council Member Hahn said that would assume everyone would go get a short-term rental license. He said, "It could also assume that nobody will. The trend over the last 12 years has been going down and not up, and if we are trying to (INAUDIBLE)...that is the truth (INAUDIBLE) But if we are going to talk about factual issues, let's talk facts, and let's not say well the fantasy is that every unit on the island would be a short-term rental because that is not realistic. It is not realistic that there will never be any short-term rentals on the island. Of course not. But let's talk about the facts and let's talk about the trends that we have over the last 12 years."

Council members Pierce and Bogosian offered further clarity about the alternatives. Council Member Bogosian believes Alternative 3 as a "reasonable place to start" by putting "a reasonable cap on only 6%, leaves out 4%. Full-time residents are excluded, and it offers some kind of transferability proposal for heirs. I think it keeps a historical balance across the island of what we have always said is a third rentals, third second homes, and third full time residents."

**MOTION:** Council Member Bogosian made a motion to approve Alternative 3. Council Member Anderson seconded the motion.

Council Member Ward said, "It seems like to me this is a monster that has just been created. It does not seem like to me that it will ever end. It just feeds upon itself. I have been here a while, over three decades, but I don't remember this a few years ago, this being such a horrible discovery that we got this big problem. We did not have all these rental license applications until within the past year. That is just really clear to me, and a lot of people, they do not come to meetings. They stay at home. They have made an observation. They say it seems like to me it

just perpetuates itself. What is really scary to me is when I hear talk like this is a reasonable place to start. So what is next? More restrictions until we don't have any property rights left at all. I don't have a short-term rental, never will have one. I have just got my own little JC Long house on Hartnett Boulevard, and I am not associated with any of that. I think it is just a matter of we just started our own hysteria in my mind. This was not a problem a few years ago."

Council Member Streetman said he does not want to see caps put in place. He believes the City will be picking winners and losers by doing so. He believes controls can be put in place to monitor the situation with rental licenses.

Council Member Miars said she would like to discuss the matter further with the City Attorney in Executive Session before voting on the matter. Council Member Bogosian withdrew his motion until after Executive Session, and Council Member Anderson withdrew her second.

**6. New Business**

**A. Approval of an amount not to exceed \$18,000 for the purchase of AED Defibrillators [FY23 Muni ATAX, Fire Department, Non-Capital Tools & Equipment]**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

**B. Approval of replacement of 2010 Ford F-150 for Fire Department in the amount of \$46,614 State contract pricing [FY23, Muni ATAX, Fire Department, Capital Outlay, \$45,000]**

**MOTION:** Council Member Streetman made a motion to approve, and Council Member Popson seconded the motion. The motion passed unanimously.

**C. Approval of replacement of 2014 Ford F-150 for Fire Department in the amount of \$46,614 State contract pricing {FY23, Hospitality Tax, Fire Department, Capital Outlay, \$42,000}**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Hahn seconded the motion. The motion passed unanimously.

**D. Approval of emergency replacement of Police Department patrol vehicle 502 [FY23 Budget, Capital Projects, Police Department, Capital Outlay]**

Administrator Fragoso said this vehicle was involved in a collision and needs to be replaced as the backup patrol car when others are unavailable.

**MOTION:** Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

**E. Approval of proposal from Davis & Floyd in the amount of \$7,000 to design an emergency beach access path through the Charleston County Park [FY23 Budget, Beach Maintenance and Preservation, Capital Outlay]**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

**F. Approval of proposal from Rentalscape in the amount of \$42,000 for short-term rental managing compliance software [FY23 Budget, General Fund, Building, IT Equipment, Software & Services]**

**MOTION:** Council Member Streetman made a motion to approve, and Council Member Anderson seconded the motion.

Director Kerr said Rentalscape will run parallel to Granicus for two months to allow staff to work both programs to see which best suits the needs of the City. A final selection will be made at the end of a two-month trial period. The \$42,000 price is for the basic Rentalscape program. Modules may need to be purchased at a later date.

**VOTE:** The motion passed unanimously.

**G. Approval of temporary parking agreement with Islander 71 for the use of the shared parking lot at the IOP marina**

**MOTION:** Council Member Streetman made a motion to approve, and Council Member Anderson seconded the motion.

Administrator Fragoso said: “The Memorandum of Understanding essentially memorializes the topics we talked about at the workshop that would be in place just for this season. Remember we are trying to gather data that would yield a good final plan for that entire part of the property along the intercoastal. In coordination with the restaurant, we would like to reconfigure the entire side of that marina, have the City have its own dedicated parking area. The restaurant would have their own dedicated parking area, and we would be going away from this shared concept, which has, as you know, proven to be really problematic and difficult to manage. So our goal would be to have this temporary plan in place that will yield additional residential only parking space in that section of the marina and it would also provide resident only parking in that lot just for those residents who have a decal. So this would be again to take us through the season to allow us to get some more data and ultimately come up with a comprehensive and separate parking plan for both for longer terms.”

**VOTE:** The motion passed unanimously.

**H. Approval of increase hourly rate for Beach Services Officers to \$18**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

**I. Consideration of changing budgeted part-time seasonal code enforcement position to a full-time position**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

**J. Consideration of 2023 surfing applications: Shane Granigan, Isla Surf School and Kyle Busey, Carolina Salt, LLC**

Administrator Fragoso said that these are the first two applications they have received this year. All instructors from last year have been contacted. Based on the locations selected by these two applicants, Administrator Fragoso recommends that any other applicants must choose locations away from these two (at 6<sup>th</sup> and 9<sup>th</sup> avenues). Council Member Pierce said it would be better for the lesson locations to be spread out to easily accommodate needed parking.

**MOTION: Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.**

**K. Discussion and consideration of alternatives for the 30% ATAX: options for DMO and potential projects to pursue for alternative uses**

City Attorney McQuillin spoke about the Attorney General's opinion about the formation of DMOs: "As everyone knows, the City uses the Charleston Area Convention and Visitors Bureau as its DMO. We have one currently that exists. That is our designated management organization. The issue, I heard it come up in public comment, but it's been raised before too about whether the City could create its own DMO. This issue actually came up, as the Mayor mentioned, with the previous entity that our firm represents, and that was prior to this Attorney General opinion that was issued on May 31, 2022. But our law firm's reading of the statute and talking with tax lawyers, we basically advised them that we didn't think that was wise based on the way the statute is currently worded. Of course, you can go to your legislators and try to get a change to State law, but as the statute is currently worded, we viewed that as problematic, and it was also costly to set up the 501(c)(3), fund, figure out how to organize it. Kiawah has also more recently discussed this issue, and ultimately opted not to create their own DMO as well. The only entity that I am aware of that has done it is Folly Beach, which was mentioned tonight in public comments. So going into this Attorney General opinion, this was requested by the Chairman of the Tourism Expenditure Review Committee, which a lot of folks refer to as the TERC. That is the State committee that has oversight authority over the Accommodations Tax. So he writes, Attorney General Alan Wilson and asks for an opinion. And the issue in that opinion was whether a municipality or county can create a non-profit organization pursuant to Section 6-4-10. You informed us that a local government wants to replace the Visitor and Convention Bureau that has been managing and directing the expenditure of its local accommodation tax for tourism promotion. So they basically go through the statute, go through law. The statute for the audience says the municipality or the county shall select one or more organizations such as the Chamber of Commerce, Visitor Convention Bureau or regional tourism commission which has an existing ongoing tourist promotion program. If no organization exists, the municipality or county shall create an organization. And so based on that language and analyzing the case law, the conclusion of the Attorney General's office was, and this is a quote based on this language, it is clear that the legislature intended for a municipality or county to choose an existing organization that meets the eligibility requirements of the statute to manage and direct the expenditure of its tourism promotion funds. A local government is only authorized to create an organization when one does not already exist. And in the conclusion section, again, they say a local government is

only authorized to create an organization when one does not already exist. And so, I think based on the plain language of the statute, as well as this attorney general opinion, I think our hands are sort of tied there. The other thing I will point out, too, is the 30% funds that we are talking about that go to these DMOs, the statute is very clear. It says 30% of the balance must be allocated to a special fund and used only for advertising and promotion of tourism. And so I think there has been some misunderstanding. Look we could get this money and use it to build restaurants and do this kind of stuff. That is not what the statute currently allows though.”

Council Member Streetman said that it is clear what can be done with the 30% funds and suggested more exploration into what else can be done with the 65% funds. He said that the ATAX Committee seems to be more open to the IOP-specific ideas from the CVB.

Council Member Ward asked Council Member Streetman what he thinks about the minimal mentions the Isle of Palms receives in CVB publications. Council Member Streetman said the island is not mentioned in numerous publications, but it is the regional marketing of Charleston that brings people here.

Mayor Pounds said Council’s focus should be on lobbying to have the 30% lowered or capped. Council Member Anderson said she believes the new Tourism Coordinator will help direct the CVB’s promotional efforts for the island.

Mayor Pounds mentioned that a legislative sponsor would be needed for the City to request a one-time budget proviso to use a portion of the 30% funds for a tourism infrastructure project. The City’s lobbyist is not sure their request will make it into this year’s budget. Council Member Anderson pointed out that it is the City’s money and they are only requesting a reallocation of the use of their funds. She suggested a project from the Drainage Master Plan.

Administrator Fragoso said, “It is spending the State ATAX that is collected on the island, but the State law as it is written today requires that to be spent on only tourism promotion. But that is why there is path to get an amendment to the budget that would give you greater flexibility to use it for a different thing. Without at, as you all heard, we are limited in what we can use that money for.”

**MOTION: Council Member Bogosian made a motion to send Option 3 (the island-wide walkability and constructions of multiuse paths, sidewalk, and crosswalks with a cost of approximately \$400,000) to the City’s lobbyist for a one-time proviso in the FY24 budget cycle. Council Member Hahn seconded the motion.**

Administrator Fragoso said, “The recommendation starts with just a study, some engineers that look at the walkability on the island and then from that study then we can pick what we could potentially construct with that allocation.”

Mayor Pounds said he hopes the City’s lobbyist will be at their March meeting.

**VOTE: The motion passed unanimously.**

7. **Boards and Commissions Report**

- A. **Board of Zoning Appeals** – minutes attached
- B. **Planning Commission** – minutes attached
- C. **Accommodations Tax Advisory Board** – minutes attached
- D. **Environmental Advisory Committee** – minutes attached

8. **Ordinances, Resolutions, and Petitions**

- A. **Second Reading** – none
- B. **First Reading**

i. **Ordinance 2023-01 to provide regulations for dogs biting, chasing, or attacking**

**MOTION:** Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

Administrator Fragoso said this ordinance will return to the Public Safety Committee.

ii. **Ordinance 2023-02 to prohibit e-bikes and other motorized vehicles on the beach**

**MOTION:** Council Member Ward made a motion to defer this ordinance back to the Public Safety Committee for more study. Council Member Popson seconded the motion. The motion passed unanimously.

C. **Resolutions and Petitions**

i. **Proclamation 2023-01 to celebrate March as National Red Cross Month**

**MOTION:** Council Member Streetman made a motion to approve, and Council Member Hahn seconded the motion. The motion passed unanimously.

ii. **Resolution 2023-01 authorizing consumption of beer and wine at the Front Beach Fest on March 4, 2023**

**MOTION:** Council Member Streetman made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

9. **Executive Session**

**MOTION:** Council Member Ward made a motion to move into Executive Session in accordance with SC Code Section 30-4-70(a)(2) to receive legal advice related to the noise ordinance and short-term rental regulations. Council Member Streetman seconded the motion. The motion passed unanimously.

City Council moved into Executive Session at 9:09pm.

City Council returned from Executive Session at 9:38pm. Mayor Pounds said no decisions were made.

**MOTION: Council Member Streetman made a motion “that we go with alternative 5, no caps but continue to increase enforcement efforts and monitor trends and metrics at least semi-annually.” Council Member Popson seconded the motion.**

Council Member Streetman said, “I just think for me, and I have said along, I am not against caps per se. I think at some point we may see on this island, if we got some sort of real runaway investment issues going on, that we might want to put the brakes on and do something different. But all along I have been in favor of us monitoring this situation, putting a method, an apparatus in place that we have talked about where we have someone that is helping us with this, helping us analyze the trends that are going on, and make a decision thoughtfully as we go along, one that can be changed at a moment’s notice if it has to but keeps us on top of the situation where short-term rentals are headed, and if we see a problem, then we can react to it. This particular issue I know is divisive. I know we have lot of people that are for caps, a lot of people that are against caps, but what I cannot get beyond personally is that I think we are doing things that if we install caps right now that could potentially affect people’s property rights negatively, affect their lives, affect their children and grandchildren’s lives, and I am just not in favor of us going in and putting a cap in immediately, but I am in favor of us giving the matter a lot of study, ongoing study as we go forward.”

Council Member Anderson said, “I am favor of the cap because I think we have run out of time. There is a tipping point that we will come to on the island where our short-term rentals will outweigh the permanent community, and we will set the tone for the island. We will be an island of renters with some residents rather than an island of residents with some renters. So I think that we need to slow this process down. If we put a cap on we can always take it off. My feeling is that our property values will not go down because usually shortages mean that things to up in value. That we no longer have a free market operation because of circumstances beyond our control. It is going on everywhere around us off the island. So I firmly believe that we need a cap. If we put a cap on and we see that it is not necessary, that all of these short-term rental licenses that popped this past year go away, we can take the cap off. But it is harder to do. We are not going to be able to keep control of the situation too much longer. If we don’t cap now, then we may not have another chance to be able to do it.”

Council Member Miars said, “I have listened to all of the people and I really appreciate who has come and spoken. And I feel like the two biggest issues that are against caps are issues that we can address through a reasoned cap and that is allow 4% people to rent and that is not just for the 72 days, but allowing, if you have a 4% property tax that you can apply for a short-term rental and you can keep it for the three years. I feel like that would solve the problem of a lot of people who say they want to go travel or they want to do, they need to move off the island for a little while, and there are a lot of options there. I think that would be beneficial to a lot of people. And then just letting 4% people get short-term rentals. So many people have also talked about why are we going to change. Why do we need to change? Well, change is the one that is inevitable. Our world has changed around us. This is not something, we are the last place that has gotten a cap. Mt. Pleasant allows like 400 short-term rental licenses. That happened, Jimmy asked earlier today. Why are we doing this today? This was not a problem 30 years ago. Well because nobody

had a problem with it 30 years ago. There was no such thing as VRBO 30 years ago. The world has changed. Change is constant, and we have to be willing to change with it. We cannot just hide our heads in the sand. One other thing that I would like to say people that talk about property rights. I mean we have more restrictions on our property than, go look at the ordinances. It is page after page after page of already restrictions. I cannot own a business in my house. I have a guy down the street who just had to apply for a zoning appeal in order to have to use his office as a place to run his painting business. We cannot do just anything we want with our houses. So the property rights thing is a little bit of a bumper stick quote, I think. I think we are going to regret this if we don't do it."

Council Member Ward said, "I think this whole thing has been self-inflicted. I agree with Rusty. We need to (INAUDIBLE) we can. But I would be curious to see what happens in the next 6 months, see if the rental licenses trend down. I would be very surprised if they trend up."

Council Member Miars said, "I would like to say one thing about what Mr. Ward just said, and that is the fact that if they do trend up, right now, we have been looking at some caps that are roughly a third of the island, and they are giving some headroom so that people can still get short-term rental licenses. If they do continue to trend up like they are, then we will not have that headroom anymore."

**VOTE:**            **A vote was taken as follows:**

Ayes: Hahn, Ward, Streetman, Popson, Pounds

Nays: Bogosian, Miars, Anderson, Pierce

**The motion passed.**

Mayor Pounds, referring to a sheet in the meeting packet, said there are some things that staff has been working on regarding next steps in the short-term rental monitoring process including staffing and enforcement which will be discussed at the next workshop.

## **12. Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Streetman seconded the motion. The meeting was adjourned at 9:48pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk