

TOWN COUNCIL
Special Call Hearing
Municipal Center Council Chambers
July 2, 2024; 11:30 am

Minutes

I. **Call to Order:** *Mayor Belt called the meeting to order at 11:30 am.*

II. **Roll Call:**

Present at the Meeting: Bradley Belt, *Mayor*
Russell Berner, *Mayor Pro Tem*
Michael Heidingsfelder, *Council Member*
Luke Farrell, *Council Member*

Absent: Madeleine Kaye, *Council Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Mac McQuillin, *Town Attorney*
Michael Sosnowski, *Code Enforcement Officer*
Mary & Charlie Wilson, *Property Owners*
Mark Maniscalco, *Wilson's Attorney*
Roger Warren, *President, Kiawah Island Golf Resort*

Mr. McQuillin stated that the purpose of the hearing was to uphold the suspension or consider the proposed revocation of Short-Term Business License Number RBL20-000387 held by Kiawah Island Golf Resort (KIGR) for the rental property at 385 Green Winged Teal owned by Mary Wilson. Under Section 14-509 of the Town's Municipal Code, any property with three violations of this chapter during any twelve-month rolling period and found guilty by admissions or by the Municipal Court Judge will be considered cause for license revocation.

Mr. McQuillin reviewed the hearing process, which included all parties having the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The town and the license holder/owner will make presentations, and then the Council will render its decision. The Council has the option to uphold the suspension and revoke the license, reject the suspension and the proposed revocation, or reject the suspension and proposed revocation but place conditions on the license. If the decision is appealed, it must be filed in writing with the Town Clerk within 30 days of receiving the written decision, and the Council will consider the appeal in an open hearing within 30 days after receipt of the request.

After the review, Mr. McQuillin swore in those giving testimony on behalf of the Town and property owner.

III. **New Business:**

A. Business License Revocation Hearing for 385 Green Winged Teal Road

Mr. Sosnowski provided a presentation that included photographs and information relating to the three-vehicle parking limitations at the short-term rental property at 385 Green Winged Teal Road. During the course of one week, three violations of Ordinance 14-506(d) - Maximum number of vehicles and Ordinance 14-506(d)(5) - Oversize vehicles were observed and documented, with each violation sent by email to the authorized agent either on the night it occurred or the following morning. Despite written and verbal notifications made to the authorized agent, it was noted that the violations had not been resolved, and citations were issued for each offense. The citations were sent via Certified Mail to the authorized agent and the property owner.

- **First Offense**
 - 04/16/2024
 - Citation Number: 7201
 - Ordinance 14-506(d) - Maximum number of vehicles
- **Second Offense**
 - 04/16/2024
 - Citation Number: 7202
 - Ordinance 14-506(d)(5) - Oversize vehicles
- **Third Offense**
 - 04/18/2024
 - Citation Number: 7203 issued 04/19/2024
 - Ordinance 14-506(d) - Maximum number of vehicles

Council Members engaged in an in-depth discussion of the notification process when a citation is issued, noting a delay of more than 40 days in the delivery of the notification to the property owner, that all the citations were issued within one week and to one renter, and that other than a violation in July 2023, there were no other violations in the last twelve months.

Mr. Maniscalco stated that the April incident should be considered an isolated incident, considering there were three violations within such a short period of time. He pointed out that the Wilsons have owned the property under Talking Stick, LLC for 3.5 years without incident and are considered to be good neighbors, noting their involvement in the communities where they reside.

During his presentation, Mr. Maniscalco called attention to the following points:

- Errors with the notification process that was followed,
- The prior revocation of a business license, which was much more egregious,
- The payment of the citations prior to the court date without Wilson's knowledge,
- The vetting process in place for short-term rentals,
- A letter sent to the Town Council from the Wilson's and Talking Stick, LLC,
- An outline of the money that would be lost in a 12-month revocation and
- Had the Wilsons received notice sooner, they would have addressed the problem in an appropriate period of time.

Mr. Wilson added that, as members of Talking Stick, LLC, we respected all the rules expected of property owners and the rules for short-term rentals. This was the first incident, and he was frustrated with the lack of notice.

Mr. Warren spoke about the role that the Resort played, acknowledging that the Resort did not communicate that fines were paid because, ultimately, it was responsible for them as the agent. Being recognized as the organization that sets the example for how short-term rentals are supposed to be managed, he reviewed the steps taken to mitigate this unique situation, what was learned from this transaction that will apply going forward, and that the Resort takes very seriously its responsibility to the owners who are on its rental program to protect them and protect their unit from any damage. He felt that, in this case, the Council has the opportunity to do something without removing the owner's license and adjudicate this so that everybody acknowledges their responsibility and moves forward to continue with a very solid participant in the rental program.

Council Member Heidingsfelder made a motion to withdraw the suspension and the proposed revocation of the business license for 385 Green Winged Teal Road. Council Member Berner seconded the motion.

Mayor Belt began the discussion by stating that while he found that there were violations of the Town's Ordinances, that they were properly cited, and that the fines were paid, this set of facts does not give rise to warranting a revocation or suspension of the license. The facts presented have

generated conversations within the staff as to the appropriate circumstances for seeking a suspension or revocation of a license. A set of violations occurring over a couple of days does not really fit within the spirit of three different violations over some 12 months and has revealed some issues with regard to the materiality of the violations that have to be discussed from a staff and enforcement standpoint. Separately, there are issues brought up about the requirements, if any, for a property manager to communicate with the property owner.

Council Member Berner stated that three violations in one single calendar week with one individual renter were patently unfair for revocation of the license and that the owner should not be penalized.

Council Member Heidingsfelder stated that the process the Town displayed is proper and would clearly want to encourage the code enforcement officers to continue to enforce Town ordinances. He wished that the people involved could have found a way to resolve the issue before the elevation to a hearing.

Ms. Wilson stated that they abide by all the rules, but the biggest problem was the communication between the Resort and her as the property owner. Moving forward, homeowners should be notified immediately when something, even as trivial as a violation, occurs, noting that a homeowner has a right to know if the home is in jeopardy of losing its business license.

Council Member Farrell agreed with the comments. His takeaway was that the Town, the Resort, and the owners had learned some lessons that would benefit all. He also appreciated that code enforcement had done exactly what they were supposed to do but apologized to the homeowners for the distress that was caused.

Mr. Sosnowski added that the judicial process was a step before a suspension and revocation hearing and felt that there may be a need to better communicate to the rental agencies that paying for a ticket is admitting guilt. Individuals always have the opportunity to come to court to defend their case and specify what steps were taken to alleviate the issue.

Mr. Sosnowski asked if the decision would be a clean slate or include some probationary clause for the property. Council Member Heidingsfelder clarified that it would be a clean slate.

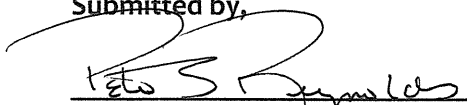
Mayor Belt stated that, from an operational standpoint, the code enforcement team did what they were supposed to do. The lesson learned from the Town's standpoint is that in administering its ordinance, three violations may give rise to the potential for suspension or revocation but not necessarily result in revocation or suspension.

Following the discussion, the motion to withdraw the suspension and the proposed revocation of the business license for 385 Green Winged Teal Road was unanimously approved.

IV. Adjournment:

Mayor Belt adjourned the meeting at 12:22 pm.

Submitted by,



Petra S. Reynolds, Town Clerk

9-11-2024

Date