



Town of Hilton Head Island TOWN COUNCIL SPECIAL MEETING Monday, October 13, 2025, 3:00 PM Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Brison seconded. Motion carried 7-0.

New Business

Consideration of an Ordinance to Repeal and Replace Title 10, Chapter 2 of the Municipal Code of the Town of Hilton Head Island Entitled Short-Term Rentals; and Providing for Severability and an Effective Date - First Reading - Shawn Leininger, Deputy Town Manager

Mayor Perry stated the new business item was consideration of an Ordinance to Repeal and Replace Title 10, Chapter 2 of the Municipal Code of the Town of Hilton Head Island Entitled Short-Term Rentals; and Providing for Severability and an Effective Date - First Reading

He noted that on October 7, 2025, the Community Development & Public Services Committee recommended Town Council approve the proposed Ordinance with the following amendments:

1. Remove the requirement for proof of insurance as part of the application and permit requirements.
2. Permit fees shall be \$500 for 0-4 bedrooms and \$1,000 for 5 or more bedrooms.
3. The fire alarm system shall only be required for short-term rentals having 3,600 or more square feet.
4. Parking shall be based on the site plan and there shall be a maximum of 6 parking spaces.
5. Maximum occupancy shall be 2 people per bedroom plus 2 people for the short-term rental. Studios shall have a maximum occupancy of 4 people.
6. Remove the requirement for any floor plan as part of the application and as a posting at the short-term rental property.
7. The effective date shall be determined by Town Staff.

He added that regarding amendment #2, after additional discussion the Committee did not take action on an amendment to Ordinance 2025-27 amending the FY26 Consolidated Budget fee schedule and short-term rental permit fees. This was to allow the Town Manager the opportunity to evaluate the operational impacts and costs to implement, administer, enforce, communicate, and maintain the resulting short-term rental program, should a revised Short-Term Rental Ordinance be adopted by Town Council. Changes to short-term rental permit fees will be brought forward for Town Council consideration as part of a future budget ordinance or amendment.

Ms. Brison moved adoption of the draft ordinance before Council with the following two changes:

- 1. Under Section 10-2-20 b. Compliance to add language which provides that any application for a new STR permit on or after the adoption date will comply with the terms, regulations and requirements established in this Chapter on or before January 1, 2026**
- 2. In regard to Section 10-2-60 c., the table be revised to provide that for those STR properties which have 7 bedrooms and above, and which are 3600 square feet or more in size, the maximum occupancy may be increased by 2 upon compliance with all other terms, regulations and requirements established by this Chapter.**

Mr. Alfred seconded.

Mayor Perry invited Shawn Leininger to conduct a presentation regarding the item.

Mr. Leininger referenced the background of the item included in the agenda packet.

On May 17, 2022, Town Council adopted a Short-Term Rental Ordinance to address the impacts of short-term rentals on neighborhoods by establishing expectations for their management and operation, specifically regarding safety, trash, noise, and parking.

Implementation of the Ordinance began by establishing an operational program for administration of the Ordinance. This included securing necessary software and equipment; recruiting, hiring, and training new employees; creating and testing application and complaint portals; and creating and executing an education and communications plan.

The effective date of the Short-Term Rental Ordinance began January 1, 2023, and is managed by the Town's Finance Department Revenue Services Division and Public Safety Department who work proactively to educate owners, agents, and renters of the requirements and enforce compliance.

Past and current Town Council strategic action plans identified the assessment of the short-term rental program to evaluate program effectiveness on addressing the negative impacts to neighborhoods including:

1. Environmental impacts;
2. Demands on Fire Rescue services;
3. Impacts to public utilities and infrastructure, and
4. Impacts of land use intensity, to determine if further regulation is necessary.

In that regard, on September 16 and 24, 2024, Town Council held workshops to review numerous priority amendments to the Land Management Ordinance (LMO) and Municipal Code that seek to address important and urgent issues in advance of a full LMO Overhaul. This review included an assessment and proposed amendment to the Short-Term Rental Ordinance to address parking, occupancy, fire and life safety, enforcement and fee regulations.

Town staff held meetings and discussions with Town Council, members of the public, and representatives of the short-term rental industry. This assessment of the short-term rental program resulted in the following key findings:

1. Need the ability to manage property owners who violate short-term rental regulations through escalating fines instead of criminal charges;
2. Need the ability to manage property owners who operate a short-term rental property without a valid permit with fines that are greater than the cost of a permit;
3. Short-term rental properties and over occupancy can inconvenience permanent residents who have expressed concerns about parking, noise pollution, trash collection, and other consequences;
4. High occupancy homes do not have adequate fire and emergency safety mechanisms; and
5. Structures are being built for the purpose of short-term rental resulting in properties that are out of scale and context with existing neighborhoods.

The primary goal in considering Short-Term Rental Ordinance amendments is to protect and enhance the quality of life for residents and visitors. As such, the following items were identified to be addressed through proposed amendments:

1. Parking and Enforcement
 - a. Parking is a critical issue.
 - b. Address parking regulations specifically within the Short-Term Rental Ordinance.
 - c. There needs to be limits on the number of vehicles associated with a short-term rental.
 - d. It needs to be clear where vehicles can and cannot park.
2. Occupancy
 - a. Over-occupancy of short-term rental units is a concern.
 - b. Define occupancy clearly for consistent regulation and enforcement.
 - c. Consider if the size of the home should be factored into occupancy regulations.
 - d. Occupancy enforcement presents challenges.
3. Fire and Life Safety
 - a. Ensure adequate fire and life safety measures are required in short-term rentals.

4. Short-Term Rental Permits and Regulations
 - a. Require short-term rental owners and agents communicate key regulations during the rental process and at time of occupancy.
 - b. Align the short-term rental permit fee with community impacts and associated Town operational and infrastructure expenditures.
5. Compliance, Fines, and Penalties
 - a. Provide for administrative citations as a tool to penalize and remedy violations.
 - b. Establish a clear directive for escalating fines based on the number of offenses.
 - c. Maintain ability to suspend or revoke permits for repeat offenders.
 - d. Continue to enhance the Town relationship with gated communities to support enforcement of short-term rental regulations.
6. Implementation
 - a. Provide additional time for existing short-term rentals to comply with new regulations, while ensuring new short-term rentals are compliant at the time of permit issuance.
7. Balance Business and Community Needs
 - a. Strive for a balance between maintaining the island's character and supporting business practices related to short-term rentals.

On February 18, 2025, Town Council reviewed first reading of an Ordinance amending Chapter 10-2 Short-Term Rentals of the Municipal Code to add additional requirements for occupancy, fire and safety alarms and equipment, parking of vehicles, enforcement, fines, definitions and other text amendments, and providing for severability and an effective date. Generally, the proposed amendments included:

1. Grammatical and clarity of language clean-ups to help support understanding and readability;
2. Key definition additions and refinements that support the existing and proposed regulatory framework;
3. Requirement that owners must be compliant and current on all licenses, permits, fees, taxes, fines, and other materials;
4. For short-term rental properties 3,600 square feet and more, a monitored automatic smoke detection system and manual fire alarm must be installed;
5. Any exterior gas grill must be equipped with an automatic shut off timer;
6. The short-term rental permit number must be included in any advertisement for the property;
7. Establish a maximum occupancy based on the number of bedrooms to which the short-term rental property can be rented;
8. Require that the location of parking be identified and not allow more than six (6) vehicles to be parked on the property;
9. Prohibit vehicles from being parked off-site, on-street and access easements, in a required buffer, or any unimproved surface; and
10. Establish a procedure to issue administrative citations and appeal process.

Following review, a motion by Town Council to approve first reading and advance the amendments to seconding reading failed (3-4). Town Council requested the discussion related to this topic continue at a later date.

On September 15, 2025, the Community Services and Public Safety Committee held a discussion to review previously proposed amendments to the Short-Term Rental Ordinance and provided direction on additional amendments to address parking, occupancy, fire and life safety, enforcement, and fees. The remaining sections of this report provide for the recommended amendments to the Short-Term Rental Ordinance.

On October 7, 2025, the Community Development & Public Services Committee recommended Town Council approve the proposed Ordinance with the amendments noted by Mayor Perry and in the staff report in the agenda packet.

He stated three items that the ordinance does not include which are:

1. There is no requirement for a minimum stay;
2. It does not include a cap on the number of short-term rentals that can be issued; and
3. It does not include a restriction on where short-term rentals can and cannot be located.

Council members held discussion, made comments and asked questions following the presentation. It was clarified that the fee structure will be taken up at a later date as it was not presented to Council through the subcommittee as a result of their October 7 Community Development and Public Services Committee.

Mr. DeSimone moved to amend Ms. Brison's motion to approve the first reading of the ordinance to repeal and replace Title 10 Chapter 2 of the Municipal Code entitled Short-Term Rentals as recommended by the CDPSC with the following:

Remove Section 10-2-60-c. and all other references to occupancy limitations at this time.

Further recommended that Council address occupancy, location and use as we further discuss the Land Management Ordinance and the rewrite of the Land Management Ordinance

Ms. Becker seconded. Motion passed 5-2 (Brison, Alfred against).

Mr. Brown requested that the motion be changed to state up to a maximum of 6 exterior parking spaces allowed and not count the garage spaces as parking spaces as they are not always used for parking. Mr. DeSimone as maker of the amendment to the motion, did agree to the change Mr. Brown seconded Mr. DeSimone's change. Motion carried 6-1 (Brison against).

Ms. Becker moved to amend Mr. DeSimone's motion reflecting Chief Blankenship's

updated recommendation as follows:

1. Section 3 Change “in accordance” to “meeting the intent of the National Fire Alarm and Signaling Code”

2. Item 3.b. – remove in its entirety. Mr. DeSimone seconded. Motion carried 7-0.

Mayor Perry asked for public comment.

Peter Savarese addressed Council expressing his concern about the effects these changes will have on businesses.

Steve Birdwell addressed Council stating the need to enforce current regulations and his opposition to any fee increase.

Rob Reichel addressed Council stating he feels Council is listening to a few and ignoring the majority. He stated his opposition to the proposed ordinance.

Michael Mulvihill addressed Council stating he feels the occupancy changes are not good and will cause a decline in all areas for Hilton Head Island as the Island runs on a tourist economy.

Christian Powers addressed Council questioning the timeline for the fire suppression regulations, stated the parking regulations are too stringent, expressed his opposition to the occupancy limits and an increase in fees. He stated the need for a study to determine decision-making.

Beth Ann Dickie addressed Council stating her strong opposition to the 2 plus 2 occupancy limit noting she felt it is arbitrary and capricious.

Eric Quisenberry addressed Council stating the proposed changes do more harm than good and this is an unreasonable approach. He added there is a need for enforcement of the existing regulations.

Lisa Cotter addressed Council sharing her timeline when she was building a home on Bradley Circle. She encouraged Council to step back from these regulations and not use personal interests to guide them.

Katie McCullion addressed Council encouraging Council to take occupancy off the table as the limitations do not make sense. She stated the issues don't rely solely on the number of people in the house, noting the enforcement division needs more support and resources.

Patricia Courtney addressed Council stating many short-term rental owners like her own short-term rentals to supplement income and are very responsible. She stated she feels the problem is code enforcement and the Land Management Ordinance.

Richard Bisi addressed Council stating his opinion that the temporary moratorium on short-

term rentals and major subdivisions was the right course of action all along. He stated crafting good policy takes time and these proposed regulations feel hasty and incomplete.

Beth Petro addressed Council stating the problem can be solved through enforcement of the regulations already in place. She asked the Council to keep in mind their implementation deadlines as many 2026 bookings are already being made.

Dru Brown addressed Council stating that resort heritage is a foundation that built this community and the revenue funds the economy on Hilton Head Island.

Chester Williams addressed Council stating it is never a good thing to adopt ordinances or regulations you cannot enforce.

Angie Hutchins addressed Council stating her opinion that compliance is the issue and there is a need for enforcement. She expressed concern for what will be coming next.

Joseph Gill addressed Council stating second property owners have no voice.

Jay Sudowski addressed Council expressing his concern regarding occupancy limits. He stated visitors contribute to the economy and a study needs done first as well as enforcement of the existing regulations.

Terry Sundling addressed Council stating enforcement of the existing regulations needs to be addressed.

Richard Ross addressed Council stating his opinion that Council is not listening to the Community.

Tricia Lynch addressed Council inquiring about the increase in fees and if the increase was cost-based or revenue-based.

Chase O'Dell addressed Council stating tourism is Hilton Head Island's lifeblood and short-term rentals are a key part of that. He questioned the cap on occupancy and what it would do to the industry.

Bill Miles addressed Council stating visitors are a part of the story that built Hilton Head Island and contribute to funding roads, supporting nonprofits, strengthening public safety, replenishing beaches and sustaining the amenities. He added that these decision will ripple through real families and real livelihoods.

Katie Clewell addressed Council requesting that Hilton Head Beach and Tennis Resort be considered exempt from the proposed ordinance as they are self-contained and have their own regulations, security and facility service department.

Tony Faulkner addressed Council stating the impact from this proposed ordinance could be devastating to the community as a whole.

Ginny Jackson addressed Council stating there should have been an economic impact study done and if any Council member is personally involved in a situation regarding these issues, they should recuse themselves from being an active part in the decision making.

Henry Criss addressed Council in opposition to the proposed ordinance as it moves away from one of Hilton Head Island core values which is limited government and personal responsibility. He expressed concerns of overregulation. He encouraged Council to vote against the proposed ordinance and instead, have a full analysis of the situation conducted.

Keith Walston addressed Council stating the proposed ordinance is a serious threat to the Island's way of life. He stated that annual visitors contribute greatly and we need a vibrant tourism based economy which will benefit everyone.

Susan Wheatley addressed Council stating her opinion that the data is not reliable and decisions are being based on emotions. She encouraged Council to move the Land Management Ordinance re-write forward.

Alan Prochazaka addressed Council in opposition to the proposed ordinance, stating this is taxation without representation. He stated the need to revisit the issues and figure out what problem they want to solve.

Cathie Rasch addressed Council proposing they not make any changes until analysis is completed, and the work is done in redesigning the Land Management Ordinance. She suggested the make-up of the Community Development and Public Services Committee be changed due to the drama.

Matt Garling addressed Council stating most short-term rentals are used as stepping stones to retire here. He feels the proposed is rushed and urged Council to take the proposal off the table.

At the conclusion of public comment there was a five minute break. When Council returned to the dais, Mayor Pro Tempore Brown called the question. Mayor Perry reviewed the motions on the floor.

Ms. Brison moved to add the following to Mr. DeSimone's amended motion:

- 1. Under Section 10-2-20 b. Compliance to add language which provides that any application for a new STR permit on or after the adoption date will comply with the terms, regulations and requirements established in this Chapter on or before January 1, 2026 . Mr. Alfred seconded. Motion failed 2-5 (Perry, Tunner, Brown, Becker, DeSimone against)**

Mr. DeSimone moved to adopt regulations presented by staff with three amendments that were voted on previously. Mr. Brown seconded motion passed 6-1 (Brison

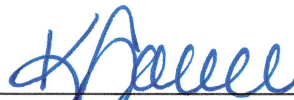
against).

Public Comment - Non Agenda Items

None.

Adjournment

Mayor Perry adjourned the meeting.



Kimberly Gammon, Town Clerk



Alan R. Perry, Mayor

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov