

**Minutes of Special Joint Meeting between Kilkenny County Council and
Kilkenny Borough Council on Tuesday 8th May, 2012 at 3pm**

Cathaoirleach: Cllr. D. Fitzgerald and Cllr. P. Cuddihy

Councillors: Cllrs. M.H. Cavanagh, P. Millea, M. Shortall, J. Brennan, M. Brett, A. McGuinness, W. Ireland, T. Maher, T. Prendergast, S. Treacy, C. Long, T. Breathnach, P. Dunphy, E. Aylward, F. Doherty, J. Galway, C. Connery, P. Crowley, B. Manning, M. Fitzpatrick, M. Noonan, J. Reidy, K. Funchion, J. Malone, S. O'hArgain

Officials: J. Crockett, J. Mulholland, J. McCormack, P. O'Neill, J. Dempsey, B. Tyrrell and A.M Walsh

Cllr. David Fitzgerald welcomed all members to the Joint Meeting of Kilkenny Borough Council and Kilkenny County Council in City Hall to consider the purchase of St. Francis Abbey Brewery lands (Smithwicks-Diageo).

He advised that the Manager's Report has been circulated since the last joint meeting held on the 20th April, 2012. The minutes of the meeting of 20th April, 2012 have been distributed today and copies of the motions to be considered today have been circulated with the agenda for today's meeting.

Cllr. Fitzgerald complimented the County Manager on the work done to bring about this unique opportunity to secure a city centre site with the potential to transform the City centre and the entire County. Many years ago, Kilkenny Castle and its grounds came into public ownership and we see the wonderful benefits that it has brought to the City and County. He expressed the desire that the proposed purchase of the Diageo site can also be developed to further enhance the City and County.

Cllr. P. Cuddihy stated that the proposed purchase of the 10 acres will enable the re-development of the heart of Kilkenny. It will create opportunities for further investment in Kilkenny and asked members to seriously consider the motions before the meeting. This is an opportunity that may not come before the local authorities ever again.

Mr. Joe Crockett, County Manager stated that his report has been circulated. He said that it was appropriate that the elected representatives, on behalf of the people of the city and the county, should decide on such an important matter. He said that it was his opinion that acquisition was critical for future development, notwithstanding that the Councils finances were reducing.

It was proposed by Cllr. D. Fitzgerald, Seconded by Cllr. S. O'hArgain that "Subject to paragraph 2, that Kilkenny Borough Council, would :-

1.
 - a) consider and if thought fit, purchase, with Kilkenny County Council, the lands of the Diageo brewery at Kilkenny excluding the Victorian brewery buildings in the sum of €2.1 million, in the interests of the social and economic development of Kilkenny City and County and,
 - b) note that the lands to be purchased total some 10.6 acres as outlined in red on the map attached, and
 - c) having regard to the €300,000 already collected by the Borough Council and by the County Council for the acquisition of the Diageo lands for the Central Access Scheme, resolve to borrow €1.3 million and seek sanction for same from the Minister for the Environment, Community and Local Government to fund the proposed acquisition, with the balance of €500,000 being provided by Kilkenny County Council, and
 - d) note that the borrowing cost for a loan of €1.3 million over 15 years would be €125,000 per annum, that the Council has already set aside €67,000 for an initiative of this nature in its revenue budget and resolve that this sum and the balance of €58,000 would be funded in the 2013 revenue budget and thereafter to fund this proposed loan.
2. That the Borough Council note in the acquisition process, that it must have regard to discussions currently underway between Diageo and unions representing employee interests in relation to a proposed closure plan, that the acquisition would be subject to the site being remediated in accordance with a plan to be agreed with the Environmental Protection Agency, as per the IPPC license for the brewery, and with the Kilkenny local authorities, and that the lands will be subject to a limited brand protection clause, that having regard to the foregoing there will be of necessity, flexibility, on the date of closure of the acquisition process, and that closure of the acquisition process will take place most likely in 2014 or in 2015.
3. That the Borough Council note that if the Borough Council and the County Council agree to the proposed acquisition, then legal advisors of the said Kilkenny local authorities would then engage with legal advisors of Diageo Ireland to commence the process of acquisition, with the Councils seeking possession of the lands at some time in 2014 or 2015 following completion of the processes outlined in the previous paragraph."

It was Proposed by Cllr. P. Cuddihy, Seconded by Cllr. M. H Cavanagh that
“Subject to paragraph 2, that Kilkenny County Council, would :-

1. a) consider and if thought fit, purchase, with Kilkenny Borough Council, the lands of the Diageo brewery at Kilkenny excluding the Victorian brewery buildings in the sum of €2.1 million, in the interests of the social and economic development of Kilkenny City and County and,
 - b) note that the lands to be purchased total some 10.6 acres as outlined in red on the map attached, and
 - c) having regard to the €300,000 already collected by the County Council and by the Borough Council for the acquisition of the Diageo lands for the Central Access Scheme, resolve to provide €500,000 to part fund the acquisition from expected land sales in the County area (in the Kilkenny electoral area), with the balance of €1.3 million to be provided by the Borough Council.

2. That the County Council note in the acquisition process, that it must have regard to discussions currently underway between Diageo and unions representing employee interests in relation to a proposed closure plan, that the acquisition would be subject to the site being remediated in accordance with a plan to be agreed with the Environmental Protection Agency, as per the IPPC license for the brewery, and with the Kilkenny local authorities, and that the lands will be subject to a limited brand protection clause, that having regard to the foregoing there will be, of necessity, flexibility on the date of closure of the acquisition process, and that closure of the acquisition process will take place most likely in 2014 or in 2015.

3. That the County Council note that if the County Council and the Borough Council agree to the proposed acquisition, then legal advisors of the said Kilkenny local authorities would then engage with legal advisors of Diageo Ireland to commence the process of acquisition, with the Councils taking possession of the lands some time in 2014 or in 2015 following completion of the processes outlined in the previous paragraph.”

Cllr. D. Fitzgerald advised the members that a roll call will be taken in relation to each resolution. In advance of the roll call, each member will be given an opportunity to speak on the proposed motion to purchase the lands at St. Francis Abbey Brewery (Diageo site).

Contributions were received from Cllr's M.H Cavanagh, M. Brett, J. Reidy, B. Manning, S. O'hArgain, T. Maher, P. Crowley, C. Connery, T. Breathnach, P. Millea, A. McGuinness, J. Brennan, C. Long, M. Shortall and J. Coonan.

Members welcomed this opportunity to purchase a strategic city centre site at a cost of €2.1m. The proposed purchase would enable the local authorities to develop the city centre over a long period of time for the future generations of Kilkenny.

A number of members wishes to recognise the contribution that the Smithwick family has made to brewing in the City. The role of the workers over a long number of years needs to be recognised also as it is a sad day for them to see the brewery being closed.

Members requested that careful consideration be taken in deciding the future uses of the site. A number of suggestions were made for development of this area for educational, cultural/heritage and social projects and water based activities, open up riverside walks. Retail and residential development should not be ruled out.

Members welcomed the timing of this decision to purchase this site in the heart of the city as the review of the City and County Development Plan will commence in June 2012. The Development plan process will enable members and public to consider future proposals for the re-development of the City. It was suggested that a considerable time should be given to consider the long term projects for the area. Other projects that have been in planning should also continue despite our current financial position.

Members welcomed the proposal to invite the public to a meeting to discuss future uses of this site. Members requested clarification on details of how the purchase price will be funded and if other services/projects will be affected in the City and County.

Cllr. Malcolm Noonan requested clarification on the use of development levies collected in relation to the Central Access Scheme and if these could be re-assigned to avoid Kilkenny Borough Council having to borrow €1.3m.

Cllr. Noonan requested that the Central Access Scheme be deferred for a period of 5 years to enable funds to be directed towards the proposed purchase.

A number of members referred to the tradition of brewery in the City and requested that consideration be given to micro-brewery/craft brewery projects.

Cllr. D. Fitzgerald welcomed Mr. Paul Smithwick to the meeting and thanked him and his family for their contribution to the development of brewing at this site. Cllr Fitzgerald asked the County Manager to respond to members queries before the vote was taken.

Mr. Crockett, County Manager responded to all queries raised by members. He referred to his report circulated and directed members to various paragraphs in the report to advise them on the possible funding arrangements i.e proceeds from sale of lands in the Environs and borrowing by Kilkenny Borough Council of €1.3m subject to sanction by the Minister.

He advised that Paragraph 12 of the report outlined that the acquisition is subject to the site being cleared and remediated in accordance with a plan to be agreed with the EPA and Kilkenny local authorities.

Mr. Crockett agreed with members that the review of the City and County Development Plans will allow extensive public consultation on possible core uses of these lands. It is a historical and economic opportunity to acquire this site. Considerable time will be given to planning and designing the best use of the site. There is a period of 2-3 years before the site will be available to the local authorities.

He welcomed any suggestions from the members regarding possible projects. Everything will be considered.

In relation to micro brewery, Diageo has requested a brand protection clause to be included in the sale. Diageo is retaining the Victorian buildings on Parliament Street and there are press reports of preliminary plans for investment by Diageo in this building as a tourist attraction, similar to the hop store in Dublin.

Development levies collected for the Central Access Scheme or similar roads projects cannot be re-assigned to any other purpose. Development levies collected for a specific purpose must be used for that purpose or they are refunded back to the person who paid them. The provision of the additional new bridge is critical for traffic management and development of the City.

Notices to treat have been served on landowners in relation to the CPO for the Central Access Scheme, therefore there are legal commitments to purchase the required land.

Mr. Crockett stated that he is aware of members concerns in these difficult financial times with constraints on budgets and reducing funds facing the local authorities. There are difficult choices to be made but the social and economic benefits into the future in his opinion outweighed the burden of additional

€58,000 on existing budgets over 15 years for borrowing. He stated that he is confident that capacity will be there to meet the cost of borrowing the €1.3m.

Cllr. Fitzgerald thanked the County Manager for replying to all members queries and concerns and advised members this is a unique opportunity for us, for the future development of our City and County if we decide to purchase these lands.

He requested the members of the Borough Council to vote on the proposed resolution which has been proposed by him and seconded by Cllr. S. O'hArgain.

A roll call was taken.

Kilkenny Borough Council Members voting in favour of the Resolution is as follows:-

- *Cllr. David Fitzgerald*
- *Cllr. S. O' hArgain*
- *Cllr. A. McGuinness*
- *Cllr. J. Reidy*
- *Cllr. J. Malone*
- *Cllr. M. Fitzpatrick*
- *Cllr. B. Manning*
- *Cllr. J. Coonan*
- *Cllr. P. Cuddihy*
- *Cllr. K. Funchion*
- *Cllr. M. Noonan*
- *Cllr. M. Brett*

A total of 12 members voted in favour of the Resolution.

The motion has been carried.

Cllr. P. Cuddihy thanked Cllr. D. Fitzgerald for hosting this joint meeting in City Hall and thanked the County Manager for all his work and dealing with members issues and concerns in relation to the proposed purchase. He reminded members that this is the biggest significant decision that may be taken by the elected members during their terms of office and asked them to vote on the proposed resolution which has been proposed by him and seconded by Cllr. M. H Cavanagh.

A roll call was taken.

Kilkenny County Council Members voting in favour of the Resolution is as follows:-

- *Cllr. M. H Cavanagh*
- *Cllr. P. Millea*
- *Cllr. M Shortall*
- *Cllr. J. Brennan*
- *Cllr. C. Connery*
- *Cllr. A. McGuinness*
- *Cllr. J. Coonan*
- *Cllr. M. Fitzpatrick*
- *Cllr. M. Brett*
- *Cllr. B. Manning*
- *Cllr. P. Cuddihy*
- *Cllr. M. Noonan*
- *Cllr. B. Ireland*
- *Cllr. T. Maher*
- *Cllr. P. Crowley*
- *Cllr. T. Prendergast*
- *Cllr. S. Treacy*
- *Cllr. E. Aylward*
- *Cllr. F. Doherty*
- *Cllr. C. Long*
- *Cllr. T. Breathnach*
- *Cllr. P. Dunphy*

A total of 22 members voted in favour of the Resolution.

The motion has been carried.

Cllr. Galway had left the meeting before the vote was taken.

That concluded the business of the meeting.