

MAYOR'S DREAM COME TRUE

V2.1

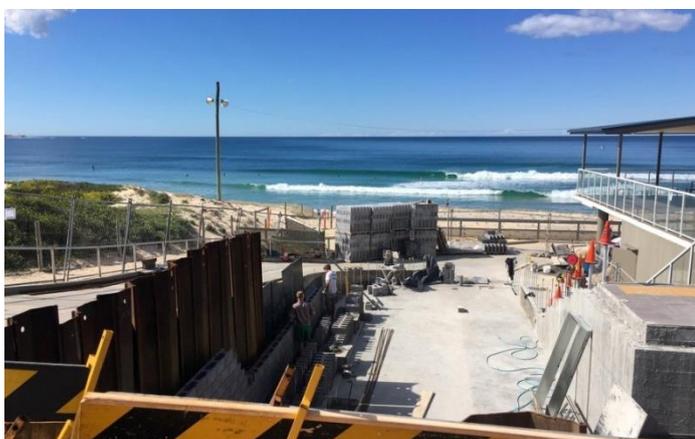
The sun shone on cue for Shire Mayor Carmelo Pesce at the opening of his “hip” new beachside café at Elouera, capping a dream which survived many bureaucratic hurdles and attacks in social media.

But as lattes were sipped overlooking the sand, a tighter financial future faced the Elouera Surf Life Saving Club, which borrowed heavily to build the new café on land leased from Council.

Mayor Pesce formally denied any conflict of interest to The Leader newspaper, after a boycott was urged in social media but which sank under a wave of promotional postings in his favour. The launch at the premier venue drew the cappuccino crowd in perfect spring weather a week ago.

1- The good luck began about June 2016 with Council approving a café for the Elouera surf club, before the formal involvement of the mayor's chain, Bianchini's Espresso.

2- Funding for stage-1 storage and foundations (*photo*) was obtained with grants to the club last year through two local MPs -- Federal Treasurer Scott Morrison (~\$100,000) and the State Attorney-General Mark Speakman (~\$50,000). The club paid the other half of the cost of the initial work.



3- Mayor Pesce was thanked with “special mention” by Elouera

surf club in its annual report to May 2016, along with local MPs Scott Morrison and Mark Speakman “for their support in many ways.”

4- In December 2016, a special meeting of club members approved a loan up to \$600,000 for stage 2 -- the café itself on top. A guarantee was given by Sutherland Shire Council for the club to borrow the money necessary to finish the new building.

5- As a result of the debt, the club predicted “significantly lower” profitability for years to come, in its annual report to May 2017. It relies heavily on new rent from the café to pay off the debt, and also on growth in other income (from its lounge/bar and its restaurant).

6- Once advertised about September 2016, eight tenders were received including the Mayor's Bianchini chain which runs two other cafés at Cronulla and Gympie. [Mayor Pesce said that there was no conflict as long as the process was public, according to advice which he received from council staff.]

7- Last November, Council approved an extension of the club's lease onto adjacent public land for a larger café. Mayor Pesce (Liberal Party) declared an interest and did not vote -- nor did three Labor Party councillors who were absent from that meeting. Other Liberals declared formally that their relationship with the mayor was “not significant non-pecuniary interest”, allowing them to vote despite it.

8- February 2017 - A short-list of two tenders was chosen, including Bianchini and another Cronulla-based rival. The second tender was withdrawn later.

9- The original approval was for 40 seats, which rose to 55 by opening day. [The club pays Council only \$500 annually to lease the property, but money received by the club from sub-letting to Bianchini's was not disclosed.]

10- By 18 September 2017, Bianchini's Espresso had moved in and the café opened for business.

The other short-listed tenderer, Ray Nelson of Zimzala restaurant, withdrew when the club rejected his proposed changes to the Council-approved plan. "We put a lot of time, effort and money into design and planning, so we are pretty disappointed walking away from it," he said.

"The more we talked to the club, the more we became aware of the DA process (development application to Council)," he told The Leader.

"We were not prepared to lock into what might have been a long battle with council."

"I don't blame the club – it would have taken time, and they said they just wanted to build what was approved."

Advertising promotes the Mayor's Cronulla venue as a "modern hip café" in the popular beachside suburb. A two-stage plan was adopted by the Elouera surf club, initially with foundations and club storage below, which attracted the grants. An official had hoped that the commercial stage 2 would "get a little café up and running."

<http://www.elouera.com/media/1398/elouera-slsc-annual-report-2016-17.pdf>

<http://www.theleader.com.au/story/3940782/cafe-for-elouera-surf-club/>

<http://www.theleader.com.au/story/4471434/mayors-bid-for-elouera-surf-club-cafe/>

<http://www.theleader.com.au/story/4942264/photos-elouera-cafe-boycott-call-fails/ajax/>