



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

September 3, 2014

RECEIVED  
#3  
2014 SEP -3 PM 12:46  
OFFICE OF THE  
CITY CLERK

Susana A. Mendoza  
City Clerk  
Room 107, City Hall  
Chicago, IL 60602

Dear Ms. Mendoza:

I transmit herewith for filing Executive Order No. 2014-1, which I have signed this date.

Your prompt attention to this matter is appreciated.

Sincerely,

Mayor



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

RECEIVED  
#3  
2014 SEP -3 PM 12:47  
OFFICE OF THE  
CITY CLERK

**Executive Order No. 2014-1**

WHEREAS, The increasing unaffordability of life in Chicago for many of our residents illustrates the rampant wage inequality that President Barack Obama has described as “the defining issue of our time”; and

WHEREAS, More than 30 percent of Chicago workers make \$13.00 per hour or less – the median age of these workers is 33, two-thirds are over the age of 25, and a disproportionate share are women and/or minorities; and

WHEREAS, In Chicago, rent as a percentage of income has risen from a historical average of 21 percent to 31 percent; and

WHEREAS, Chicagoland is the only metropolitan region in Illinois that ranks above the national average in cost-of-living expenses; and

WHEREAS, Research on previous minimum wage increases shows that raising the minimum wage does not adversely affect employment and prices – to the contrary, according to the Economic Policy Institute, an increased wage actually helps the economy grow; and

WHEREAS, In light of the United States Congress’s persistent failure to address this issue, it is time for cities and states to take the lead in lifting families out of poverty and stimulating the economy by raising the minimum wage; and

WHEREAS, I have introduced, together with a coalition of aldermen, an ordinance that raises the minimum wage for Chicago workers to \$13.00 per hour by 2018; and

WHEREAS, It is necessary and appropriate to exercise the executive authority vested in my office to address the problem of insufficient wages without further delay; and

WHEREAS, Raising the minimum wage for City contractors and holders of City concessions will help build public consensus around the principle, at issue in both the pending minimum wage ordinance and the referendum on this November’s ballot supporting a proportionate wage increase throughout Illinois, that every worker in the City and across the state deserves an adequate wage, now, therefore,

I, RAHM EMANUEL, Mayor of the City of Chicago, do hereby order as follows:

**1. Definitions**

For purposes of this Order:

a. "Concession Agreement" means an agreement to operate a retail business on City property whereby the City receives rent, a license fee, and/or a commission, in an amount based, in whole or in part, on the amount of revenue generated by the business. For purposes of this Order, the term "Concession Agreement" shall not include any agreement with a Not-For-Profit Organization.

b. "Contract" means any agreement formed under the authority of chapter 2-92 of the Municipal Code of Chicago. For purposes of this Order, the term "Contract" shall not include any agreement with a Not-For-Profit Organization.

c. "City Contractor" means a person who or entity that enters into a Contract with the City.

d. "City Concessionaire" means a person who or entity that enters into a Concession Agreement with the City.

e. "Employee" means a person performing work under a Contract who fits one or more of the following descriptions: (i) he or she works at a location that is either on City property or at the jobsite of a City project; (ii) he or she is paid an hourly rate for his or her work under the Contract; (iii) he or she is paid a per piece rate for his or her work under the Contract; or (iv) his or her work is provided to comply with a specified worker type and/or quantity provided for in the Contract. "Employee" also means any person performing work at the City property subject to a Concession Agreement. For purposes of this Order, a person is not considered to be performing work under a Contract if his or her work is limited to providing general support for the City Contractor's operations; does not directly relate to the services to be provided under the Contract; and is included in the Contract price as overhead, unless such person's regular work location is on City property or at the jobsite of a City project. For purposes of this Order, the term "Employee" does not include persons subject to subsection 4(a)(2), subsection 4(a)(3), subsection 4(d), subsection 4(e), or Section 6 of the Minimum Wage Law. Notwithstanding these exclusions, for purposes of this Order, the term "Employee" does include the categories of workers described in subsections 4(a)(2)(A) and 4(a)(2)(B) of the Minimum Wage Law.

f. "Gratuities" has the meaning ascribed to that term in the Minimum Wage Law.

g. "Minimum Wage Law" means the Illinois Minimum Wage Law, 820 ILCS 105/1 et seq., in force on the effective date of this Order and as thereafter amended.

h. "Not-For-Profit Organization" means a corporation having tax-exempt status under Section 501(c)(3) of the United States Internal Revenue Code and recognized under Illinois law governing not-for-profit corporations.

## **2. Base Wages for Contracts and Concession Agreements**

a. Every Contract or Concession Agreement advertised on or after the effective date of this Order shall contain a provision or provisions stipulating that, except as provided below in subsections 2b and 2c of this Order, the City Contractor or City Concessionaire will: (i) pay its Employees no less than \$13.00 per hour for work performed under the Contract or Concession Agreement; and (ii) require any subcontractors, sublicensees, subtenants, or subconcessionaires to pay their Employees no less than \$13.00 for work performed under the Contract or Concession Agreement. Beginning on July 1, 2015, and every July 1 thereafter, this hourly wage shall increase in proportion to the increase, if any, in the Consumer Price Index for All Urban Consumers most recently published by the Bureau of Labor Statistics of the United States Department of Labor. Any hourly wage increase pursuant to this subsection 2a shall be rounded up to the nearest multiple of \$0.05. Such increase shall remain in effect until any subsequent adjustment is made. On or before June 1, 2015, and on or before every June 1 thereafter, the City shall make available to City Contractors and City Concessionaires a bulletin announcing the adjusted minimum hourly wage for the upcoming year.

b. Every Concession Agreement advertised on or after the effective date of this Order shall contain a provision or provisions stipulating that the City Concessionaire will: (i) pay its Employees performing work at the City property subject to the Concession Agreement who are engaged in occupations in which Gratuities have customarily and usually constituted part of the remuneration, no less than the minimum hourly wage set by the Minimum Wage Law for workers who receive Gratuities, plus an additional \$1.00 per hour; and (ii) require all sublicensees, subtenants, or subconcessionaires to pay their Employees performing work at the City property subject to the Concession Agreement who are engaged in occupations in which Gratuities have customarily and usually constituted part of the remuneration, no less than the minimum hourly wage set by the Minimum Wage Law for workers who receive Gratuities, plus an additional \$1.00 per hour. Beginning on July 1, 2015, and on every July 1 thereafter, this hourly wage shall increase in proportion to the increase, if any, in the Consumer Price Index for All Urban Consumers most recently published by the Bureau of Labor Statistics of the United States Department of Labor. Any hourly wage increase pursuant to this subsection 2b shall be rounded up to the nearest multiple of \$0.05. Such increase shall remain in effect until any subsequent adjustment is made. On or before June 1, 2015, and on or before every June 1 thereafter, City shall make available to City Concessionaires a bulletin announcing the adjusted minimum hourly wage for the upcoming year for Employees who receive Gratuities. Each City Concessionaire, sublicensee, subtenant, or subconcessionaire that pays an Employee the wage described in this subsection 2b shall transmit to the City, in a manner provided by regulation, substantial evidence establishing both the amount that the Employee received as Gratuities during the relevant pay period or periods, and the fact that the Employee did not return any part of those Gratuities to the City Concessionaire, sublicensee, subtenant, or subconcessionaire. If a City Concessionaire, sublicensee, subtenant, or subconcessionaire is required by the Minimum Wage Law to provide substantially similar data to the Illinois Department of Labor, the City may

allow compliance with this requirement by filing the same documentation with the City. The City shall utilize this data to ensure that each Employee receives, in combined salary and Gratuities, at least the base hourly wage required under subsection 2a of this Order.

c. Nothing in this Order shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages or other conditions of work in excess of the applicable minimum standards of the provisions of this Order. If a Contract or Concession Agreement formed under a bona fide collective bargaining agreement that is in force on the effective date of this Order includes salary requirements that are different from those required by the Order, the collective bargaining agreement shall control. After the effective date of the Order, its requirements may be waived in a bona fide collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms.

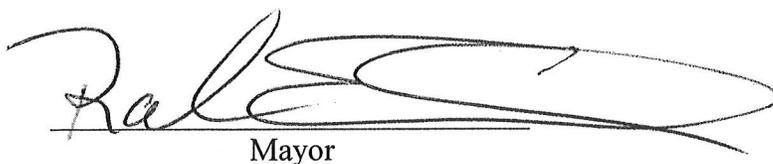
d. The chief procurement officer may promulgate administrative rules and regulations to implement this Order.

e. If the chief procurement officer has reason to believe that any Employee has been paid less than the wage required under this Order, or upon receipt of a written verified complaint from such Employee, the chief procurement officer is authorized to conduct an investigation to determine whether this Order has been violated.

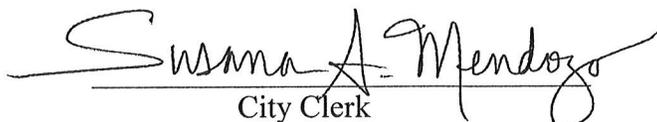
f. In addition to any other penalty authorized by law, any Contract or Concession Agreement negotiated, entered into, or performed in violation of any of the provisions of this Order shall be terminable by the City. Any bid or proposal submitted in violation of any of the provisions of this Order shall be subject to rejection by the City.

**3. Effective Date**

This Order shall take effect on October 1, 2014.

  
Mayor

Received and filed September 3, 2014

  
City Clerk