



City of Cleveland

Fair Employment Law

NOTICE TO APPLICANTS FOR CITY FINANCIAL ASSISTANCE.

A financial assistance contract that may be awarded pursuant to this application is subject to the City of Cleveland Fair Employment Wage, Chapter 189 of the Cleveland Codified Ordinances (C.C.O), which requires, among other things, that unless specific exemptions apply, **Covered Employers**, as defined, under contracts with the City shall pay the Fair Employment Wage to **Covered Employees**, as defined. Failure to comply with that Chapter and/or any implementing regulations may result in termination of the contract or debarment from future contracts.

Attachments: Attachment 1 Declaration of Number of Employees
Attachment 2 Declaration of Health Insurance Coverage
Attachment 3 Affidavit of Compliance with C.O. Chapter 189
Attachment 4 Current Assistance Contracts
Attachment 1-3 will be provided to City Council

Fair Employment Wage: From October 1, 2025 through September 30, 2026, the Fair Employment Wage is at least \$16.26 per hour.

The Fair Employment Law applies to the following Covered Employers:

1. Any person or entity that is a Recipient of Assistance from the City that has an Aggregate Value of \$75,000 and has not been granted an exemption from this law, that is either:
 - (a) A for-profit employer having at least 20 employees at the time of execution of agreement with the City, or
 - (b) A not-for-profit employer having at least 50 employees at the time of execution of agreement with the City and the salary ratio between the highest paid and the lowest paid employees is more than 5 to 1.

OR
2. A company or person that is a tenant or leaseholder of a Recipient of Assistance and that occupies property or uses equipment or property that is improved or developed as a result of assistance, that is either:
 - (a) A for-profit employer having at least 20 employees at the time of execution of agreement with the City, or
 - (b) A not-for-profit employer having at least 50 employees at the time of execution of agreement with the City and the salary ratio between the highest paid and the lowest paid employees is more than 5 to 1.

OR
3. A contractor or subcontractor of a Recipient of Assistance providing service in the project or matter for which the Recipient of Assistance has received assistance.

Recipient of Assistance means any person or entity that enters into one or more contracts with the City for Assistance and any person or entity that is a direct recipient of Assistance. Assistance means any form of City assistance that is awarded, renegotiated or renewed after January 1, 2001.

- ◇ Assistance includes grants; economic development loans; tax credit, incentives and abatements; subsidiaries and bonds.
- ◇ Assistance does not include financial assistance provided for the development, rehabilitation or other means of providing residential homes; financial assistance which is received from another government or other entity with the City acting only as a conduit or fiscal agent for the funds where the City exercises no control over the identify of any recipient or of the terms of the contract.
- ◇ Assistance is valued to the extent that the recipient derives a monetary benefit from the City. For example, loans are Assistance only to the extent they are forgiven or discounted below the available market rate over the life of the loan, and tax credits, incentives and abatements are Assistance to the extent of the tax reduction realized by the recipient.

***Aggregate Value means the actual dollar benefit received from Assistance over the term of the Assistance.** The Fair Employment Law applies to Covered Employees who are any persons employed by a Covered Employer who is a Recipient of Assistance from the City.

The following are not Covered Employees:

- ◇ Individuals who provide uncompensated volunteer services
- ◇ Individuals in job training programs where job training and classroom instruction are being provided to clients in order to develop new specialized skills for employment and the individual would be considered a client of the program even though the individual receives compensation
- ◇ Employees who work on public construction work subject to state and federal wage rate laws
- ◇ Employees covered by collective bargaining agreements or the Railway Labor Act
- ◇ Employees of commercial retail establishments
- ◇ Persons not employed in the State of Ohio
- ◇ Persons under 18 years of age
- ◇ Employees of residential/single and multi-family housing projects
- ◇ Employees who, on average work, less than 30 hrs per week

Health Care Insurance Incentives

The ordinance provides that Applicable Departments shall offer additional financial incentives to Recipients of Assistance who will provide reasonable health care insurance to their Covered Employees working 30 or more hours a week during the term of the contract for assistance. Example of such incentives include more favorable terms for a loan, such as lower interest rates, higher percentage of taxes to be credited or abated, a higher amount for a grant, etc. In order to qualify for an incentive, the health insurance provided to employees must be comparable to a family health care insurance plan provided by the City to its employees. Evidence of the offer or provision or the intent to provide or offer reasonable health care insurance benefits qualifying a Covered Employer for such incentives shall be submitted to the Applicable Department upon request.

Exemptions from the Fair Employment Law

The Cleveland City Council, by ordinance, may grant a partial or full exemption from the requirements of the Fair Employment Law based on hardship. To obtain this exemption, you must demonstrate a specific, particular harm that would be felt uniquely by you if Chapter 189 were to be applied. Economic harm alone will not suffice to demonstrate hardship unless it is of a type that would not affect any other actual competitor for the contract, subcontract or lease. The following types of specific harm may provide grounds for a hardship exemption:

- 1) A loss of profitability that will result in the elimination of jobs.
- 2) A loss in profits that will substantially impact your long-term stability.
- 3) A hindrance in the ability to deliver service for not-for-profits agencies.

Application for an exemption should be made to the Applicable Department. Your request should include the wages paid by you to your employees, a detailed explanation of how the payment of the Fair Employment Wage will cause particular harm to you and supporting financial statements or other documents. The Director of the Applicable Department will review and make a determination on the application within 10 days and respond to the applicant in writing, setting forth the reasons for the determination. If the Director recommends the exemption, the Director will cause legislation to be drafted and submitted to Cleveland City Council. The Council must then consider and pass the legislation before an exemption will be granted.

Compliance Requirements under the Fair Employment Law

Each Covered Employer shall maintain payrolls and related records for all Covered Employees for a period of 3 years following termination of your agreement with the City. These records shall contain the following for each Covered Employee:

- ◇ Employee names, address, job title and classification
- ◇ The number of hours worked each day, gross wages earned, deductions made, and net wages paid
- ◇ A record of contributions to health care plans
- ◇ Any other data the applicable department or Cleveland City Council may require
- ◇ Upon demand of the City, the Covered Employer shall provide access to the payroll records required to be maintained and shall allow City representatives to observe work being performed and to interview employees as may be necessary to monitor compliance or to investigate a charge of non-compliance with Chapter 189.

Fair Employment Notice Requirements

You or your entity shall be required to provide notice to Covered Employees of their rights arising under the Fair Employment Law. The City will provide this notice to you, and you must post it in a conspicuous place frequented by Covered Employees in their workplace.

Earned Income Credit Requirement

You or your entity shall inform employees making less than \$12.00 per hour of their possible right to the Federal Earned Income Credit (EIC) or such amount as may be modified from time to time by federal law and make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer within 30 days of employment. These forms shall be provided in English, Spanish and other languages spoken by a significant number of employees.

Hiring City Residents

The applicant shall establish a goal that at least 40% of persons newly hired to perform work on contracts receiving financial assistance shall be residents of the City of Cleveland.

Attachment 1 Declaration of Number of Persons Employed by Applicant

Federal Law Compliance

The applicant shall comply with all applicable federal labor laws, including the National Labor Relations Act.

1. Is your company/organization for-profit ☒ or non-profit ☐ ?
2. Number of current/active employees on payroll? _____
3. Number of employees if contract is awarded? _____
4. If your company/organization is a non-profit entity, what is the highest amount paid to any employee? (please specify if amount is paid annually, biweekly, weekly or hourly). _____
4. If your company/organization is a non-profit entity, what is the lowest amount paid to any employee? (please specify if amount is paid annually, biweekly, weekly or hourly) _____

APPLICANT NAME	TITLE	SIGNATURE
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- 1) I am the _____(title) of _____(name of entity/company) and am authorized to sign this affidavit.
- 2) The above named entity/company will comply with the requirements of the Fair Employment Wage Law, Cleveland Codified Ordinance Chapter 189, if a contract is awarded pursuant to this application, and if Chapter 189 applies to the above named entity/company.

Further Affiant Sayeth Naught.

Signature

Printed

Title

Sworn To Before Me and subscribed in my presence this ____ day of _____,
20_____.

Notary Public

Commission Expires

Attachment 4 Current Assistance Contracts With The City

Provide the following information about any current assistance contracts entered into after January 1, 2001 you or your company/agency have with the City.

City Contract Number: _____

Type of Assistance: _____

Contract Expiration Date:_____

Dollar Amount of Assistance. \$ _____

All items indicated on the checklist below must be submitted in order to apply for an Economic Development Loan

Checklist			
<input checked="" type="checkbox"/>	Business Information	<input checked="" type="checkbox"/>	Personal Information
<input type="checkbox"/>	Audited business financial statements for the last 3 years	<input type="checkbox"/>	Provide for each owner of 20% or greater:
<input type="checkbox"/>	Audited interim financial statements dated in the last 45 days	<input type="checkbox"/>	Management Resumes
<input type="checkbox"/>	Business debt schedule (form attached)	<input type="checkbox"/>	Personal financial statement (form attached)
<input type="checkbox"/>	Federal tax returns for the last 3 years	<input type="checkbox"/>	Personal tax returns for the last 3 years
<input type="checkbox"/>	Three year operating pro forma	<input type="checkbox"/>	Partnership Agreement (if partnership)
<input type="checkbox"/>	Articles of Organization and Operating Agreement (if LLC)	<input type="checkbox"/>	Franchise Agreement
<input type="checkbox"/>	Articles of Incorporation and by-laws (if applicable)		
<input type="checkbox"/>	Itemized list of new jobs and payroll amounts		
<input checked="" type="checkbox"/>	Real Estate Information	<input checked="" type="checkbox"/>	Other Information
<input type="checkbox"/>	Real Estate Purchase Agreement (if available)	<input type="checkbox"/>	Letter of commitment for other funding
<input type="checkbox"/>	Construction cost budget	<input type="checkbox"/>	Detailed business plan
<input type="checkbox"/>	Appraisal for real property pledged as collateral	<input type="checkbox"/>	Machinery/Equipment liquidation appraisal (if applicable)
<input type="checkbox"/>	Legal description of project site	<input type="checkbox"/>	Detailed project description
<input type="checkbox"/>	Settlement Statement (if available)	<input type="checkbox"/>	W-9 Form (form attached)
<input type="checkbox"/>	Existing environmental studies	<input type="checkbox"/>	Letter of Support from Councilperson
<input type="checkbox"/>	Five year real estate pro forma	<input type="checkbox"/>	If tenants, provide leases, jobs associated with tenant and square footage
<input type="checkbox"/>	Proof of Insurance (if available)		
<input type="checkbox"/>	Detailed project operating cost items, depreciation and projected debt service		
<input type="checkbox"/>	Explanation of green/sustainable building initiatives (if applicable)		
<input type="checkbox"/>	Line item project budget		
<input type="checkbox"/>	As-is appraisal		
<input type="checkbox"/>	Subject-to appraisal		