



**Roll Call Number**

13-1110

**Agenda Item Number**

35

**Date** July 15, 2013

**SECOND AMENDMENT TO THE LOAN AGREEMENT BETWEEN THE CITY OF DES MOINES, IOWA AND AMERICAN HEALTHWAYS SERVICES, INC.**

WHEREAS, by Roll Call No. 08-049, dated January 7, 2008, the City Council approved a Loan Agreement with American Healthways Services, Inc. providing financial assistance to establish an office in the downtown area; and

WHEREAS, by Roll Call No. 12-1352, dated August 27, 2012, the City Council approved the First Amendment to the Loan Agreement with American Healthways Services, Inc. to extend the Project Completion date and the Promissory Maturity date from August 31, 2012 to December 31, 2013 to co-inside with its lease extension at 400 Locust (Capital Square), Suite 600, which extension allows the company to complete its internal review of future staffing and space needs; and

WHEREAS, Section 5 of the Loan Agreement with American Healthways Services, Inc. requires the company to pledge as collateral to the City an irrevocable letter of credit in the Amount of \$120,000 that expired December 12, 2012, and the company is requesting that Section 5 be amended to delete the irrevocable letter of credit requirement and replace with a corporate guaranty from Healthways, Inc. its corporate parent; and,

WHEREAS, American Healthways Services, Inc. is a wholly owned subsidiary of Healthways, Inc, which is a publicly traded company with a market capitalization of \$581,000,000 and Office of Economic Development staff recommends that Section 5 of the Loan Agreement be amended to delete the irrevocable letter of credit requirement and replace with the corporate guaranty from Healthways, Inc.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. The attached Second Amendment to the Loan Agreement and Promissory Note is hereby approved and the Mayor is authorized and directed to sign the attached document; the City Clerk is authorized to attest to the Mayor's signature.

2. The City Clerk is authorized and directed to deliver original copies of executed document to the City's Office of Economic Development, and the Office of Economic Development is authorized and directed to obtain all required signatures and deliver copies to the other parties.



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3. Following full execution of the document, Office of Economic Development staff is authorized and directed to administer, monitor compliance and perform all City obligations in accordance with the terms and conditions of the Loan Agreement and Promissory Note, as amended.

(Council Communication No. 13-362 attached)

APPROVED AS TO FORM:

Moved by Hensley to adopt.

Signature of Lawrence R. McDowell
Lawrence R. McDowell
Deputy City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GRIESS, HENSLEY, MAHAFFEY, MEYER, MOORE, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Signature of T. M. Franklin
T. M. Franklin Council Mayor

Signature of Diane Rauh
Diane Rauh City Clerk