



Roll Call Number

12-1352

Agenda Item Number

25

Date August 27, 2012

FIRST 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 and Promissory Note with American Healthways Services, Inc. providing financial assistance to establish an office in the downtown area. The Agreement was based on the creation of at least sixty (60) full-time equivalent jobs with a starting wage of at least \$26.20 per hour, within two years of the Agreement and maintaining those jobs through August 31, 2012; and

WHEREAS, as of June 30, 2012, American Healthways Services employs in downtown Des Moines 72 full-time employees at an average wage of \$31.85 per hour, plus benefits at its leased space in Capital Square. Of its employment, 58 positions meet or exceed the wage and benefit criteria (97% achievement rate) stipulated in the Loan Agreement dated January 2008; and

WHEREAS, American Healthways Services is negotiating a 13-month extension to December 31, 2013 on the space it occupies (approximately 18,500 square feet) at 400 Locust (Capital Square), Suite 600, Des Moines. The extension will allow the company to complete its internal review of future staffing and space needs. The Company has asked that the Loan Agreement and Promissory Note dated January 7, 2008 with the City be amended to extend the Project Completion date and the Promissory Maturity date of August 31, 2012 to December 31, 2013 to coincide with the lease extension.

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

1. The attached First Amendment to the Loan Agreement and Promissory Note is hereby approved and the Mayor is authorized and directed to sign the attached document, subject to review and approval by the City Legal Department of any non-substantive revisions contained in the Amendment. The City Clerk is authorized to attest to the Mayor's signature and to obtain proper acknowledgment.

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 to deliver appropriate documents to the State of Iowa and to the Corporation, and to thereafter take all steps necessary to protect the interests of the City by filing or otherwise.

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3. Following full execution of the attached documents, City staff is authorized to perform all City obligations under the original and this amended Loan Agreement including the requisition of funds from the State and City, the disbursal of funds, and submission of all required project reports including, but not limited to the CEBA Mid-Year and End-of-Year Status Reports and to perform all other City obligations pursuant to the terms and conditions stated in the Loan Agreements.

(Council Communication No. 12- 460 attached)

APPROVED AS TO FORM:

Moved by Meyer to adopt.

Michael F. Kelley
Assistant 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.

T. M. Franklin Council Mayor

Diane Fauh City Clerk