The City Council is scheduled to vote on a measure at the June 15 City Council meeting that modifies the terms of the deal to bring Zappos.com’s headquarters to downtown Las Vegas.

An agreement signed on Dec. 1, 2010, by the city and the Resort Gaming Group (RGG), calls for RGG to purchase a downtown site including the current City Hall building, with the intent of developing it as a corporate campus for Zappos. The amended agreement would reduce the cost of the purchase of the city property from $25 million to $18 million.

The cost adjustment is due to four factors:

* The number of workers to be relocated has been raised to 1,200 employees;
* Zappos now plans to be able to accommodate 2,000 employees in the City Hall building with additional plans to build a downtown campus on adjacent property;
* The projected cost of the project, including renovations to the City Hall facilities, has risen from $43 million to $65 million since negotiations began;
* The city and RGG would agree to reduce the city’s risk by requiring that the senior loan for building improvements be paid off at the end of Zappos’ initial 15-year lease term, leaving the city in a first-mortgage position at year 15 as opposed to year 30 in the original deal.

If the modification is approved, RGG will pay an initial $3 million down payment for the property, and the $15 million balance will be structured as seller financing. Amazon.com, which is Zappos parent company and a Fortune 200 firm with a current market capitalization in excess of $85 billion, intends to guarantee payment of Zappos’ 15-year lease, which assures the city of repayment.

“I can’t over-emphasize the importance of what this deal means for our city,” Las Vegas Mayor Oscar B. Goodman said. “This will increase our ability to recruit businesses of a similar stature, and it brings a critical mass of people to our downtown development efforts.”

An independent analysis by the Restrepo Consulting Group projects that upon full build-out of the Zappos campus, the fiscal and economic impact will be in excess of  $270 million.

“We are very excited about a potential downtown location for our headquarters,” said Chris Nielsen, chief financial officer and chief operating officer for Zappos. “We believe that this would be a great outcome for our employees and the city.”

Zappos is presently located in Henderson, but the company is motivated to move into an urban environment which is why Zappos is looking to relocate to downtown Las Vegas.

“Resort Gaming Group and the city of Las Vegas are looking not only at the immediate results, but at the long-term benefits of this groundbreaking deal,” said Andrew Donner, CEO, owner and founder of the Resort Gaming Group. “The gravity of Zappos’ planned relocation has created palpable energy downtown that is already fueling new interest and growth. It’s the biggest downtown deal in decades and we are incredibly proud to help make it happen.”