Nichols Hills eyes selling town hall building

by Brianna Bailey

Published: October 27th, 2011

NICHOLS HILLS – The city of Nichols Hills is looking into selling its town hall building to help speed up Chesapeake Energy Corp.'s redevelopment of the Nichols Hills Plaza shopping center, a vital source of sales tax revenue for the city.

At a special meeting Monday, the Nichols Hills City Council voted to explore whether to sell the town hall at 6407 Avondale Dr. The building is situated across the street from the Nichols Hills Plaza shopping center. Chesapeake Energy once offered to buy the property.

"Apparently, the town hall is one critical piece of redeveloping the plaza as a whole," Councilman Steve Goetzinger said. "We feel like it's time for us to look into how Nichols Hills should go forward with the development of the plaza – if that means the redevelopment of the town hall, then we're just doing what we think is right to facilitate that."

Rumors have persisted for the past several years that Chesapeake has major redevelopment plans in store for Nichols Hills Plaza. The company acquired the shopping center for $27.5 million in 2006. Recently, Chesapeake has denied that it has any plans to demolish the center and has said publicly it plans to install a new grocery store at the plaza after the long-standing Crescent Market closes there on Oct. 29. Oklahoma City's oldest independent grocer, Crescent Market's business has slowed over the past few years and the store has been losing money, owner Robert Pemberton said.

In 2007 or 2008, Chesapeake offered to buy the Nichols Hills town hall building in exchange for the former First Church of Christian Science the energy company owns a few blocks away. The deal never materialized, in part because of the last recession that stalled the redevelopment talk, Goetzinger said.

The cost of renovating the aging town hall building if the city decides not to sell is also a concern, Nichols Hills Mayor Sody Clements said.

"Our building is getting older and older and we're at the point where we have to make some major renovations or think about moving," she said.

City officials are unaware of any specific plans Chesapeake has to redevelop the area, but Clements said there is reason to be optimistic the plans will boost the city's sales tax revenue.

Nichols Hills Plaza is one of just two larger shopping centers and a handful of other retailers that provide vital sales tax revenue that help pay for city services in Nichols Hills, Clements said.

The redevelopment of Nichols Hills Plaza could generate new income for the city, she said.

"While change is scary, it's inevitable," Clements said.

Chesapeake plans to work together with the Nichols Hills City Council on the redevelopment plans, Teresa Rose, director of community relations for Chesapeake Energy, said in a written statement.

"We want to do what is in the best interest of our shareholders and the city of Nichols Hills," the statement said. "Our goal will be to enhance the city's sales tax base through a planned redevelopment of the Nichols Hills Plaza area. We certainly recognize the importance of reinventing Nichols Hills Plaza as a viable and vibrant shopping area for the surrounding community, including the 4,500 employees on our corporate campus. We look forward to working with the Nichols Hills City Council as this process continues to move ahead."