

## Face-lift at Cliff Inn site: New medical plaza to fill 16 acres

Vic Kolenc / El Paso Times

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TVO Development President and CEO Charles Garrett, center, showed an artist's rendering of one of the buildings in a medical plaza his company plans to build at the site of the now-closed Cliff Inn. With Garrett is TVO's Paul Gilcrease, vice president, left, and Russ Vandenburg, president and CEO of TVO North America. (Mark Lambie / El Paso Times)

**EL PASO --** An El Paso real estate development company plans to rejuvenate the original "Pill Hill" with a new medical office complex on the site of the now-closed Cliff Inn.

TVO Development, a part of TVO North America, plans to turn the 16-acre site, which includes 13 small, single-story medical office buildings built in the 1950s, into a new medical office complex named City View Medical Plaza. It will have several multistory buildings, retail space and a food court.

"This presents an opportunity to come into a great location and bring back the vibrance that development had decades ago," said Paul Gilcrease, a TVO vice president overseeing the project. "We're cleaning up, basically, an eyesore and most likely will increase the tax base."

TVO bought the property last April from a California company for an undisclosed amount and closed the struggling 24-year-old, 74-room Cliff Inn.

The property has a current tax-appraised value of \$3.5 million, according to the El Paso Central Appraisal District. TVO also did not disclose the expected cost of the project, which is still in the planning stages.

Martha Mosher, co-owner of the Medicine Shoppe pharmacy franchise at 1501 Arizona, on the edge of the 16-acre site, said, "The area is in need of development. But I'm concerned about the disruption

of my business by construction."

Mosher's store will eventually be torn down for the phased project. But it will remain in place for at least the two years the store has remaining on its lease, Mosher said. Moving into TVO's new complex might be an option, but Mosher doesn't know if TVO's timeline will meet her store's needs, she said.

Demolition of the Cliff Inn, 1600 E. Cliff, is to begin next week. The entire project is expected to take three to five years to complete, Gilcrease said.

John Harris, president of the Sierra Providence Health Network, said TVO's development "will be a tremendous enhancement" to Sierra Medical Center, which is across the street from the old Cliff Inn. New medical offices will help bring more doctors to the Sierra area, and also will help in the health network's efforts to recruit new doctors to El Paso, he said.

Tenet Healthcare, Sierra Providence's parent company, is in the process of selling three of five medical office buildings it owns near Sierra Medical Center, Harris said. But Harris said he does not expect the TVO development to hurt Tenet's buildings because El Paso does "not have an abundance" of medical office spaces, he said.

Dr. Raj Marwah, an El Paso doctor with an office near Sierra Medical Center, said he and other doctors may look at what the new medical complex has to offer. But, he said, "rent will be a big consideration in this (economic) climate."

Gilcrease said, "We think there's demand for new, Class A office space in that area." Most of the office buildings in the Pill Hill area are many years old, he noted.

Charles Garrett, president and CEO of TVO Development, said the company has financing in place to demolish the buildings and prepare the site for construction. It doesn't expect to have a problem securing financing for construction because health-care real estate is one of the least affected sectors in the nation's credit crunch, he said.

TVO North America, which has focused on developing and operating apartment complexes around the country, about two years ago started delving into the health-care real estate market as a way to diversify. It became a partner in a plan to build a long-term acute-care hospital on the East Side. But that plan was canceled because "demand studies did not bear out the need for that project," Garrett said. The company also redid a medical office building at 1810 Murchison.

TVO this year also had been looking at the possibility of turning the 15-story Bassett Tower office building into condos. But the nation's financial crisis has put that project on hold, Garrett said.

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## **Pill Hill redo**

- **City View Medical Plaza is proposed for a 16-acre site where the now-closed Cliff Inn and several 50-year-old medical office buildings now stand.**
- **The project is expected to take three to five years to complete.**
- **Demolition of the existing buildings is expected to begin next week and take two to three months.**

**Source: TVO Development**