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1600 Glenarm building getting \$4M in upgrades

Denver Business Journal - by [Paula Moore](#)

RedPeak Properties LLC is spending \$4 million to finish its 1600 Glenarm apartment high-rise in downtown Denver.

Upgrades, which started the week of Sept. 19, include expanding the fitness center, adding an outdoor patio and dog spa, and enhancing the building's street-front exterior with new signage and wood elements.

Improvements are scheduled for completion in the first quarter of 2011.

"We made the significant and important decision to become a long-term holder of the asset," Mike Zoellner, RedPeak CEO, said of the upgrades. "Once you do that, your real estate objectives change. We're an investor, not just a developer, not just a flipper. You make different decisions when you're an investor."

To help it continue to own 1600 Glenarm, RedPeak obtained a 10-year, \$50.98 million loan, in the form of a promissory note, in 2009 from federally sponsored mortgage company Freddie Mac.

"We refinanced the building last year at the worst possible time, which was huge for us," Zoellner said.

RedPeak's ability to refinance 1600 Glenarm reflects the property's strength, including its 16th Street Mall location, according to Denver real estate experts.

"Everyone in the institutional multifamily industry, when they talk about downtown Denver, talk about 1600 Glenarm," said David Martin, managing partner and apartment broker at Chicago-based **Moran & Co.**'s Denver office. "As that deal goes, so goes the perception of the downtown apartment market, where industry players think it's headed. Downtown had a bit of a slowdown in late 2008 and 2009, but it's picked up this year."

31-story building has 333 units

Denver-based RedPeak developed the 333-unit 1600 Glenarm in a \$100 million conversion of the long-vacant Security Life office building. The 31-story apartment property opened in 2006 and now has 98.8 percent occupancy, according to RedPeak.

That occupancy is driven mostly by tenants renting units as second homes, and companies putting their people in apartments rather than hotel rooms as they do business, or consider doing business, in the metro area.

"Corporate leasing is a good indication of future job growth, and corporate leasing is up," Zoellner said.

Monthly rents range from \$1,200 for a studio to \$4,000 for larger, higher-end units.

Tami Door, president and CEO of **Downtown Denver Partnership** Inc., has described 1600 Glenarm as a transformative project for downtown's core, attracting new residents and retailers to a part of the inner city that long was vacant. She recently said the upgrades to the building make some people's choice to live downtown "an even easier one."

Retail tenants at 1600 Glenarm include Cook's Fresh Market, an Earls restaurant and a Pinkberry frozen yogurt store.

Upgrades to the apartment building include:

- Moving the fitness center from the third to second floor, and quadrupling its size to 2,000 square feet. A yoga/Pilates studio is being added.
- Creating a game room with pool table, TV, etc., on the second floor, as well as a media lounge.
- Adding a 1,000-square-foot, second-floor banquet room to the 12,000-square-foot, two-story Earls restaurant.
- Installing a 4,500-square-foot, outdoor sun deck on the third floor, with fire pit, water feature and lounge area.
- On the inside of the third floor, adding a demonstration kitchen for visiting chefs and cooking classes. There also will be a conference room, community library, dog spa and wine storage on that floor. "More than 50 percent of our residents have dogs," Zoellner said.
- At street level, Cook's Fresh Market will add seating on its sidewalk facing the 16th Street Mall and a coffee bar inside. The restaurant/food store has applied for a wine and beer license.



Kathleen Lavine | Business Journal

Red Peak Properties' president, Mike Zoellner, stands outside 1600 Glenarm Place.

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Davis Partnership PC of Denver, the same architect that designed 1600 Glenarm, designed the amenities upgrade. Denver-based **Hyder Construction Co.** is the general contractor.

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