

# Napa’s Stanly Ranch Resort faces \$230 million default

BY JENNIFER HUFFMAN  
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Owners of the Stanly Ranch, an Auberge resort in south Napa, are facing a \$230 million foreclosure.

According to documents filed on Oct. 16 at the Napa County Recorder’s office, resort owners SRGA LP has been notified their property is in default, and it may be sold to the highest bidder after 90 days.

The total amount owed is \$230,366,192. A list of 19 parcels with addresses ranging from 202 to 270 Stanly Cross Road and 1301 Stanly Lane is included in the foreclosure.

The lender is CMTG California 1 LLC. According to its website, CMTG or Claros Mortgage Trust, Inc., is a real estate investment trust that is focused primarily on originating senior and subordinate loans on transitional commercial real estate assets located in major markets across the U.S.

Representatives from SRGA, CMTG and Auberge could not be immediately reached to comment on this story.

A dozen years after it was first announced, Auberge’s Stanly Ranch resort opened in late April 2022. At that time, rooms at the 700-acre property were said to start at \$1,259 a night.

During a phone interview on Oct. 27, Rick Swig, a former Napa Valley hotel owner and developer, described the foreclosure as “very, very unfortunate.”

However, the luxury resort in Carneros, “was a very expensive high-risk development,” said Swig. “You’re playing high-stakes poker. And when you lose, you lose big.”

While some people may question the decision to create and open the Stanly Ranch resort in the first place, Swig cautioned against blaming developers. It’s not that developers didn’t know what they were doing or made a mistake, Swig noted.

The Stanly Ranch developers expected



JENNIFER HUFFMAN/REGISTER  
**Entrance signage at Stanly Ranch in south Napa. The property is facing foreclosure.**

growth, but many hotel values were significantly higher in the past than they are today, he said. According to Swig, the Napa Valley lodging market has yet to fully rebound after the start of the pandemic in 2020.

Inflation, cost of insurance, national politics, a downturn in international travelers to the U.S. and a decline in hotel appraisal values all played a part. “It was out of their control,” said Swig.

Years of California wildfires also significantly affected insurance premiums, he added.

For example, Swig said that at a hotel he previously owned in Napa Valley, from 2017 to 2023, his yearly insurance premiums rose from \$37,000 to \$107,000.

Swig also said it was very likely that the sales of the residential homes at Stanly Ranch hadn’t met expectations.

According to real estate sales data, at least 12 Vineyard and Villa homes have

been sold at the resort to date. The prices ranged from \$3.2 million to \$9.1 million.

The Vineyard homes are described as “a collection redefining modern ranch appeal, with three-to-six-bedroom homes embracing a fluid indoor-outdoor experience ... with sweeping vineyard views.” The Villas feature furnished two-bedroom condo-style homes with access to the resort amenities and are supported by a rental program.

A foreclosure at the Stanly Ranch property means that the people who bought residences are likely stuck with a property that’s now part of a \$230 million foreclosure.

Those owners are probably quite upset to hear this news, Swig predicted. “They’re not happy campers.”

A representative from Stanly Ranch residences could not be immediately reached to comment on the sales or the property.

# Napa’s Petit Soleil café to move to former Huckleberry’s location

BY JENNIFER HUFFMAN  
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Napa café Petit Soleil will relocate to the space most recently occupied by Huckleberry’s restaurant, at 1000 Imola Ave.

Petit Soleil is currently located on Clay Street in downtown Napa.

Business owner Trena Madrigal said she hopes to transition to the new space on Soscol by Dec. 1.

“We’ve outgrown the space downtown,” and her lease is coming to an end, said Madrigal on Friday.

“I feel like we’ve done all that we can do in that building,” she said.

The new Petit Soleil will be much bigger, but will have the same vibe and feel

as the Clay Street café. She’s replacing the Huckleberry’s décor, said Madrigal. “We’ll make it feel like home.”

She’ll miss offering patio seating on Clay Street; however, that outdoor area wasn’t watertight or cooled in the summer and couldn’t be used year-round.

The Napa Huckleberry’s closed abruptly in September after franchise owner Tejpal Boparai died “unexpectedly,” said an earlier statement from franchisor Heritage Restaurant Brands.

Boparai owned two other Huckleberry’s franchises, one in Santa Rosa and one in Bakersfield. Those Huckleberry’s restaurants also closed in September. ■

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COURTESY PHOTO  
**Trena Madrigal is the owner of Petit Soleil. She bought the business in 2022.**

B I Z B U Z Z

# The Charles Hotels to open Napa Valley location

BY REGISTER STAFF

The Charles Hotels announced the upcoming opening of its second location, The Charles Napa Valley, “an artfully designed inclusive inn scheduled to debut around Christmas 2025 or shortly after the New Year.”

It is located at 1301 Jefferson St. in Napa.

Building on the success of The Charles Pacific Grove, which opened earlier this year, the new property (formerly known as Cabernet House, an Old World Inn) “will bring the brand’s signature blend of stylish design and welcoming hospitality to the heart of wine country,” said a news release.

When The Charles Pacific Grove opened, “it quickly established itself as a standout in California’s boutique hospitality scene,” said the release.

Designer Charles Gruwell, a Pacific Grove native with more than 45 years of experience creating boutique hotels around the world, transformed a 1904 Victorian mansion “into a space that seamlessly blends timeless elegance with coastal charm.”

The property “embodies Gruwell’s vision of offering a stylish and inclusive hospitality experience for the global traveler, and it has resonated deeply with both LGBTQ+ guests and visitors from all walks of life,” said the release.

Inspired by this success, Gruwell and his investors chose Napa Valley as the next step for the brand.

“My investors own two B&Bs in Napa and they decided they wanted to convert one of them into The Charles Napa Valley because of its close proximity to the San Francisco Bay Area which, as you know, is probably the largest LGBTQ+ community in the world,” Gruwell explained.

“We believe that an artfully designed inclusive inn which focuses on a stylish and inclusive hospitality experience is a perfect match for that location.”

The design of The Charles Napa Valley will echo many of the details that have defined the Pacific Grove property, said

the release.

Gruwell plans to use the same fabrics, wallpaper, and carpet as the background elements while incorporating antiques, artwork, and accessories sourced from a variety of cultures and artisans, including LGBTQ+ creators.

“Opening our doors to the LGBTQ+ community and declaring we are gay friendly, as well as stylish and inclusive, has resulted in attracting guests from all identities, diverse backgrounds, and walks of life. We are truly a stylish and inclusive hotel for everyone,” he said.

Info: thecharlesnapavalley.com

## Napa Innovation Center, First & Main buildings welcome new tenants

Wiseman Commercial announced a number of new Class A office leases in downtown Napa, according to a news release.

Two leases are at the Napa Innovation Center, located at 1250 Main St. The three-story commercial property was formerly known as Main Street West.

The largest lease, for about 14,000 square feet, was signed on Oct. 14. The Napa County District Attorney’s office will move into that space at 1250 Main St.

A second new Napa Innovation Center tenant is DesCor Builders, which has leased 4,100 square feet.

Another new Wiseman lease is with GVM Law, at the First & Main building at 1000 Main St. That business is leasing 10,000 square feet.

Earlier this year, Wiseman Commercial signed an additional 2,200-square-foot retail lease at First & Main with Phoenix Ultra Lounge, in the former Back Room Wines location.

“These leases, spanning professional services and government users, mark a major step forward for downtown Napa’s highly sought-after office market,” said Zen Hunter-Ishikawa, chief business development officer with Wiseman Commercial.

The new tenants are “strong, growing or-

ganizations that will provide long-term value to downtown Napa,” Hunter-Ishikawa said.

The leases “signal the tenants’ confidence in the desirability of Class A office (space) in downtown Napa and the return to in-person offices,” he said.

“I don’t know of the last time a 14,000-square-foot office lease has been signed in downtown Napa,” in recent years, Hunter-Ishikawa noted.

In June, Treasury Wine Estates announced a lease in the Gordon Building in downtown Napa, but it totals less than 14,000 square feet.

“Clearly this lease will be recognized as one of the largest office lease deals completed since the COVID-19 pandemic. Napa County, in particular, chose the office in downtown Napa for amenities, convenience, and overall appeal to honor their employees, their well-being, and their positive work experience,” he said.

Originally named Main Street West, the Napa Innovation Center faced challenges earlier this year following the departure of anchor tenant and insurance industry business AUL.

In early 2025, tenants at the Napa Innovation Center were notified that the building was in foreclosure. However, in April, arrangements were made to satisfy the default of a \$15.9 million loan.

Wiseman Commercial “continues to see robust demand at Napa Innovation Center and has customizable space available for lease at other downtown locations,” including 1300 Main St. and 1000 Main St., as well as retail space at 1245 West St. at the Napa Innovation Center.

“Although this represents a strong case for the return of the downtown Napa Class A office market, I’d argue there has been consistent demand for high-quality product that isn’t overpriced and therefore represents value to tenants,” said Hunter-Ishikawa.

Wiseman is in discussions with dozens of clients representing nearly 100,000 square feet of Class A office throughout Napa, Solano, and Yolo

Word of a foreclosure can also impact hiring and employee retention at Stanly Ranch. Event planners will face challenges when it comes to booking weddings or other events on the Carneros area property.

Swig said there’s still time to solve the foreclosure. The original investors at Stanly Ranch could be called on to help pay down the loan, he said. The lender may have more flexibility. Or not.

Swig used the analogy of a dike. Unfortunately, “Once it starts leaking, it’s really, really hard to keep that finger in the dike and stop it from draining.”

Alan X. Reay, president of Atlas Hospitality Group in Irvine, said the foreclosure at Stanly Ranch “is a little surprising,” because he hadn’t heard that the resort was “doing poorly.”

He theorized that the foreclosure was less about the resort struggling financially and more likely that the ownership group can’t repay the loan that came due.

Reay said the financial distress that led to the Napa foreclosure “is probably something that has been going on for quite some time.”

Developers probably expected that the hotel would open, the luxury homes would sell, and then they could refinance the loan, he said. “No one would have predicted” the rise in interest rates or the number of residences that found buyers.

As for what happens next, Reay said that a foreclosure may not be avoidable. In that case, the lender takes back the property and can sell it to a new owner. This could be similar to 2023 when Napa’s Cambria Hotel went into foreclosure. That property on Soscol Avenue was then sold and was renamed The Knoll Hotel Napa Valley.

“When the lender files the notice of default, it typically means they’ve run out of every option,” said Reay. ■

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