

# SACRAMENTO BUSINESS JOURNAL

## TRAVEL & TOURISM

# Cal Neva Hotel owners secure \$298 million in financing to redevelop as luxury resort

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A long-dormant Lake Tahoe property is moving closer to reopening after its developers secured a \$298 million financing package to redevelop the historic Cal Neva Hotel into the Lake Tahoe Proper Resort and Casino, according to the project partners.

Denver-based real estate firm Realberry, in partnership with Proper Hospitality, said in a news release that the financing closes a key gap in capital needed to fully restore and reposition the nearly century-old resort, which is slated to reopen in 2027.

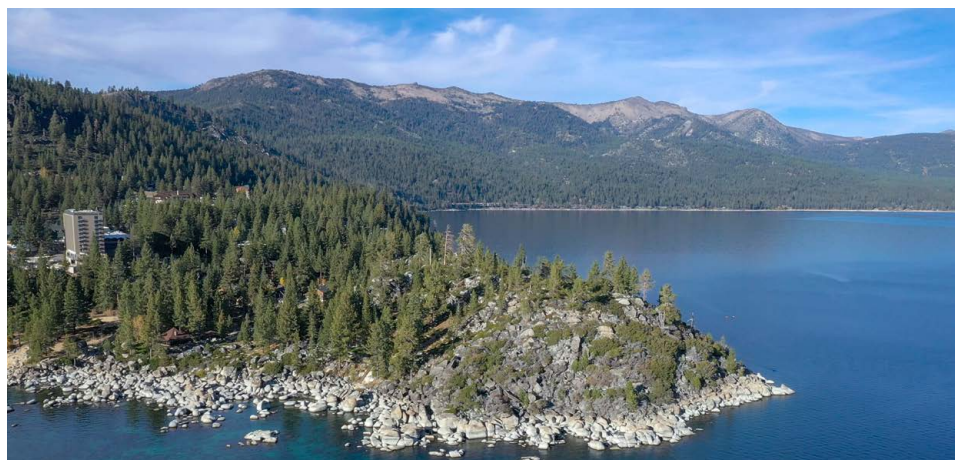
The financing includes \$223 million in Commercial Property Assessed Clean Energy (C-PACE) financing from Nuveen Green Capital and a \$75 million secured construction loan from Banc of California, according to the release.

The larger C-PACE financing is a funding tool tied to energy and water efficiency upgrades. In this case, it will help pay for building systems, water conservation measures and improvements to the property's exterior structure.

"What really stood out about this project was the combination of a strong sponsor, a unique and historic property, and a clear vision for how to reposition it," Chris Erickson, president of Banc of California's Colorado region, said in an interview. "This deal underscores that, despite a constrained financing environment, capital remains available for large-scale redevelopment projects that stand out."

The redevelopment is already underway, with more than \$100 million spent on construction to date, according to Chad McWhinney, CEO of Realberry. Upcoming milestones include installation of modular villa units and construction of pools and spa facilities this summer.

The reimagined resort is planned as a 197-room property, including guest rooms, suites and private villas. Plans call for multiple food and beverage outlets, two pools, a spa, meeting and event space, a restored 225-seat theater and a casino, according to the release.



**The famed Cal Neva resort in Lake Tahoe, which was purchased by a Denver-based real estate firm will be reimagined into a full Proper-branded hotel and casino resort with \$298 million in financing from Nuveen Green Capital and a secured construction loan from Banc of California.**

A key component will be a 50,000-square-foot wellness pavilion that includes hydrotherapy, fitness facilities and recovery-focused amenities, according to Brian DeLowe, co-founder and president of Proper Hospitality.

That wellness component is intended to shift the business model beyond traditional short-term stays.

"The wellness focus shifts the model from a transient visit to something more habitual," DeLowe said.

Developers are also emphasizing the site's geographic and historical advantages. The property sits directly on the California-Nevada border in Crystal Bay and has longstanding ties to entertainment figures such as Frank Sinatra and Marilyn Monroe.

DeLowe said the combination of location, gaming and legacy is difficult to replicate in the Tahoe Basin.

McWhinney said the funding milestone enables the team to continue restoration efforts while main-

taining the property's historic character, including preservation of the original lodge's main room and fireplace.

The project marks the latest attempt to revive the Cal Neva, which has been closed for more than a decade following prior ownership changes and stalled redevelopment efforts. The current ownership acquired the property in 2023, which was preceded by a prior redevelopment effort that secured a \$29 million loan for renovation, according to prior Business Journal reporting. Those plans did not move forward.

With financing now secured and more than \$100 million already deployed, according to McWhinney, the project moves into its next phase of construction, with developers targeting a 2027 opening for the rebranded resort and casino.

