



Culture Cannabis' Canyon Lake Location Closes Suddenly

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Canyon Lake, CA – Devon Julian, CEO of Culture Cannabis, announced the unexpected closure of the Canyon Lake location during an internal meeting on Tuesday night. The City of Canyon Lake became aware of the closure through social media posts on Wednesday morning and later confirmed the news via phone.

According to Mr. Julian, the decision to close the Canyon Lake branch was driven by a gap between projected and actual demand, and the significant cost of their bid based on that demand. This made sustaining their business model untenable. Culture Cannabis was originally selected from a pool of five applicants to operate in Canyon Lake, based in part on Culture's community benefits proposal to provide 15.1% of gross receipts or \$305,000 per quarter to the City of Canyon Lake to fund government operations such as law enforcement services. However, their sales fell far short of the anticipated first-year revenue of \$15,290,084. These revenue projections were initially presented to the City Council in February, with the official ribbon-cutting ceremony taking place on September 28, 2023.

Due to the competitive nature of public bids and the City's commitment to maintaining neutrality in the process, Culture Cannabis was awarded the contract based on their significant proposed public benefit. The City was then obligated to hold the company accountable to their proposal. Following the company's inability to meet its financial commitments, the City negotiated payment plans in an effort to recover the owed amounts. Despite the closure, Culture Cannabis still has a significant financial obligation to the City.

Culture Cannabis has indicated an interest in reopening the Canyon Lake location if the upcoming Citizen Measure passes, which they believe would make their business more viable. However, the Interim City Manager has made it clear that any consideration for a future permit will be postponed until after the voters have decided on the measure, allowing the City Council to determine the best path forward.

For more information about the City of Canyon Lake's cannabis permitting process, please visit the City's [website](#), where you can find [FAQs](#), [Ordinance No. 215](#), and three resolutions related to cannabis permitting.

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