

Letter of Intent and Statement of Community Need

Phoenix Equity Group Inc
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435-219-5916

April 14, 2025

Board of Trustees
Town of Lyons
432 5th Avenue
Lyons, CO 80540

Subject: Letter of Intent and Statement of Community Need for Annexation of 4497 Ute Highway

Dear Members of the Board of Trustees,

On behalf of Phoenix Equity Group, I respectfully submit this Letter of Intent and Statement of Community Need to formally request annexation of the property located at 4497 Ute Highway into the Town of Lyons. This letter introduces our organization, outlines the annexation request, explains the public benefit of this annexation, and details the requested zoning and proposed use of the property.

Introduction of the Applicant

Phoenix Equity Group is a corporation controlled by the Merkley family, longtime residents of the Weld/Boulder County area since 1989. I, David Merkley, currently reside in Pinewood Springs with my children, who attend Lyons Middle and Elementary Schools. Our family is deeply connected to the Lyons community, both personally and professionally.

Annexation Request

We are seeking annexation of 4497 Ute Highway to transition the property's jurisdiction from Boulder County, where it is currently zoned Agricultural with a non-conforming use designation for a marijuana dispensary. We are seeking a zoning designation of Commercial Eastern Corridor, which is appropriate for the location and our intended use. Annexation into the Town of Lyons will enable us to align with community goals and zoning regulations, while ensuring long-term use of the property is consistent with town planning.

Statement of Community Benefit

Upon annexation, Phoenix Equity Group will lease the building to **Western Stars Art Gallery**, a well-established and valued cultural institution that has served Lyons for more than 12 years. Western Stars Gallery features artwork and artisan goods from over 250 regional artists, with a strong emphasis on handmade, sustainable, and ethically sourced items.

The gallery's relocation to this site will:

- Enrich Lyons' cultural and artistic identity by providing expanded space for regional artists.
- Support the local economy through increased foot traffic and tourism.
- Provide a community gathering space that reflects Lyons' values of creativity, sustainability, and connection.
- Align with the **Lyons Comprehensive Plan** and **Lyons Thrive** strategies, which emphasize arts, small business support, and culturally vibrant spaces within walkable corridors.

Requested Zoning

We respectfully request that the property be zoned **Commercial Eastern Corridor (CEC)**. This zoning is consistent with the property's location and the type of use proposed. The CEC designation supports mixed commercial use and encourages economic development that is aligned with the town's vision for the Eastern Corridor, as outlined in the **2013 Commercial Eastern Corridor Zoning District Ordinance**.

Development Plans

No significant structural changes are planned for the property. The existing building will be utilized to house Western Stars Gallery, with any necessary modifications limited to interior adjustments and signage to suit the new occupant's operational needs. This approach ensures minimal environmental impact and preserves the existing character of the property.

We believe that this annexation and subsequent use of the property will provide meaningful benefits to the Town of Lyons, aligning with both community values and strategic planning objectives.

Thank you for considering our request. We look forward to the opportunity to contribute positively to the Lyons community.

Sincerely,

A handwritten signature in black ink that reads "David Merkley". The signature is fluid and cursive, with "David" on the top line and "Merkley" on the bottom line.

David Merkley
Phoenix Equity Group

SIGNATURE WITNESSING

State of Utah)

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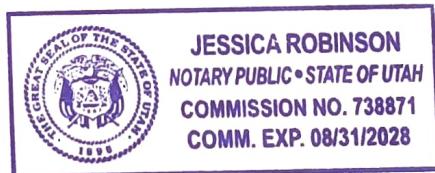
County of Webster)

On this 17 day of June, in the year 2025, before me, Jessica Robinson,
Date Month Year Name of Notary Public

personally appeared David Merkley, proved to me through satisfactory evidence of
Name of Document Signer

identification, which was US Passport to be the person whose name is signed on the
Form of Identification

preceding or attached document in my presence.



Jessica Robinson
Notary Signature

(seal)