DATE FILED: January 22, 2024
CASE NUMBER: 2022SC92

ADVANCE SHEET HEADNOTE
January 22, 2024

2024 CO 4

No. 22SC92, *Kaiser v. Aurora Urban Renewal Authority*—Colorado Urban Renewal Law—Tax Increment Financing—Statutory Interpretation

In this case, the supreme court considers whether the Colorado State Property Tax Administrator's methodology for implementing Tax Increment Financing, specifically, her practice of differentiating direct benefits from indirect benefits when proportionately adjusting the base and increment values of property located in an urban renewal area, violates Colorado's Urban Renewal Law.

The court concludes that the Administrator's methodology does not violate Colorado's Urban Renewal Law. Colorado's Urban Renewal Law expressly requires assessors to proportionately adjust the base and increment values of properties located in urban renewal areas but does not prescribe a methodology for doing so. Instead, Colorado's Urban Renewal Law imbues the Administrator with broad authority to determine how the base and increment values of those properties should be calculated and proportionately adjusted.

Because Colorado's Urban Renewal Law does not preclude—and this court's precedent supports—the Administrator's methodology, the court reverses the portion of the division's judgment concerning the Administrator's methodology for adjusting the base and increment values and concludes that the district court correctly entered summary judgment.

The Supreme Court of the State of Colorado
2 East 14th Avenue • Denver, Colorado 80203

2024 CO 4

Supreme Court Case No. 22SC92
Certiorari to the Colorado Court of Appeals
Court of Appeals Case No. 20CA1162

Petitioners:

PK Kaiser, in his official capacity as Arapahoe County Assessor, and Joann Groff, in her official capacity as Colorado State Property Tax Administrator,

v.

Respondents:

Aurora Urban Renewal Authority, Corporex Colorado LLC, Fitzsimons Village Metropolitan District No. 1, Fitzsimons Village Metropolitan District No. 2, and Fitzsimons Village Metropolitan District No. 3.

Judgment Affirmed in Part and Reversed in Part
en banc
January 22, 2024

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JUSTICE BERKENKOTTER delivered the Opinion of the Court, in which **CHIEF JUSTICE BOATRIGHT**, **JUSTICE MARQUEZ**, **JUSTICE HOOD, III, JUSTICE GABRIEL, JUSTICE HART,** and **JUSTICE SAMOUR, Jr.** joined.

JUSTICE BERKENKOTTER delivered the Opinion of the Court.

¶1 We granted certiorari to consider whether the Colorado State Property Tax Administrator's methodology for implementing Tax Increment Financing violates Colorado's Urban Renewal Law.

¶2 The respondents in this case, Aurora Urban Renewal Authority, Fitzsimons Village Metropolitan District Nos. 1, 2, and 3, and Corporex Colorado LLC (collectively, "AURA"), sued the petitioners, JoAnn Groff, the Administrator ("Administrator"), and PK Kaiser, the Arapahoe County Assessor ("Assessor"), contending, as pertinent here, that the Administrator's methodology for implementing Tax Increment Financing ("TIF") violates Colorado's Urban Renewal Law ("URL") to the extent it differentiates direct benefits from indirect benefits when proportionately adjusting the base and increment values of blighted property located in urban renewal areas. AURA argued that the Administrator's methodology improperly deprives urban renewal authorities of property tax revenues the authorities should receive due to "market perceptions that properties located in a TIF plan are more . . . valuable." A split division of the court of appeals agreed with AURA, reversed the district court's summary judgment in favor of the Assessor, and remanded for the entry of a declaratory judgment voiding the portion of the Administrator's methodology that AURA complained about. *Aurora Urb. Renewal Auth. v. Kaiser*, 2022 COA 5, ¶¶ 101, 103, 507 P.3d 1033, 1050.

¶3 We conclude that the Administrator's methodology and the Assessor's application of that methodology does not violate the URL. The URL expressly requires the Assessor to proportionately adjust the base and increment values of properties located in an urban renewal area but does not prescribe a methodology for doing so. Instead, the URL imbues the Administrator with broad authority to determine how the base and increment values of those properties should be calculated and proportionately adjusted. Because the URL does not preclude—and this court's precedent supports—the Administrator's methodology, we reverse the portion of the division's judgment concerning the Administrator's methodology for adjusting the base and increment values and conclude that the district court correctly entered summary judgment.

I. Colorado's Urban Renewal Taxation Scheme

A. The URL

¶4 In 1975, the General Assembly "declare[d] that there exist in municipalities of this state slum and blighted areas which" present a serious concern to the safety and welfare of Colorado residents. § 31-25-102(1), C.R.S. (2023). To address this concern, the General Assembly passed the URL, which "enables municipalities to eventually transfer blighted private property to other private parties or public entities for redevelopment." *M.A.K. Inv. Grp., LLC v. City of Glendale*, 897 F.3d 1303, 1306 (10th Cir. 2018); *see also* § 31-25-105, C.R.S. (2023). Specifically, the URL

authorizes municipalities to establish urban renewal authorities, which are empowered to create urban renewal plans to redevelop blighted areas. *City of Aurora v. Scott*, 2017 COA 24, ¶ 2, 410 P.3d 720, 722.

B. TIF and Property Taxes Generally

¶5 The URL authorizes urban renewal authorities to fund redevelopment through, as pertinent here, TIF. § 31-25-107(9)(a), C.R.S. (2023). "TIF is 'a form of public funding that allows for the sale of municipal bonds to raise money for public improvements pursuant to the Colorado Urban Renewal Law.'" *Northglenn Urb. Renewal Auth. v. Reyes*, 2013 COA 24, ¶ 3, 300 P.3d 984, 986 (quoting *City & Cnty. of Denver v. Block 173 Assocs.*, 814 P.2d 824, 827 (Colo. 1991)). Broadly stated, it is a mechanism by which municipalities can "adopt and finance redevelopment plans for blighted areas with the purpose to create in such areas new and substantial sources of sales tax revenue." *State ex rel. City of Monett v. Lawrence Cnty.*, 407 S.W.3d 635, 637 (Mo. Ct. App. 2013). TIF allows an urban renewal authority to fund an urban renewal project with debt, typically in the form of bonds that are issued by the urban renewal authority or the municipality that created it. *Reyes*, ¶ 3, 300 P.3d at 986.

¶6 TIF also provides a mechanism to pay off that debt. Section 31-25-107(9), for instance, provides a general TIF framework for paying off debt by authorizing the division of "property taxes of specifically designated public bodies . . . for a period

not to exceed twenty-five years." § 31-25-107(9)(a); *see also Scott*, ¶ 2, 410 P.3d at 722. When a TIF-funded project is undertaken as part of an urban renewal plan, the urban renewal authority expects that the project will drive new growth and redevelopment within the plan area and, in turn, an increase in property values within that area. *State ex rel. City of Maryland Heights v. James*, 643 S.W.3d 896, 900 (Mo. Ct. App. 2022). That anticipated increase in value will then generate increased property tax revenue that the authority or related municipality can use to pay for the project. *Id.* ("In general, [TIF] is the statutory mechanism that allows for public financing of private redevelopment projects with the goal that the projects generate tax revenues that exceed the revenues that had been generated before the redevelopment."). Property tax revenue is thus an essential component of TIF-funded urban renewal projects.

¶7 Notably, the methodology used to assess property values within an urban renewal area impacts not only the property tax revenue available to the developing urban renewal authority, but it also affects the property tax revenue allocated to other local taxing authorities, like school districts and county governments.[1] *Bank of Com. v. Hoffman*, 829 F.3d 542, 545 n.1 (7th Cir. 2016) (TIF

[1] Property tax revenue in Colorado stays in the county in which it is generated and supports, among other entities, public schools and municipal and county governments. § 31-25-107(9).

"is a mechanism utilized by municipalities to encourage development by issuing tax-exempt municipal bonds *to pay for part of the development infrastructure*." (emphasis added)). In the end, the Administrator's TIF methodology determines who gets how much of the property tax pie.

¶8 This is so because the URL delegates to the Administrator the responsibility to determine how to value property within an urban renewal area. § 39-2-109, C.R.S. (2023). Specifically, the Administrator is required

> [t]o prepare and publish from time to time manuals, appraisal procedures, and instructions, after consultation with the advisory committee to the property tax administrator and the approval of the state board of equalization, concerning methods of appraising and valuing land, improvements, personal property, and mobile homes, and to require their utilization by assessors in valuing and assessing taxable property.

§ 39-2-109(1)(e).

¶9 Thus, pursuant to section 39-2-109(1)(e), the Administrator instructs assessors to value and assess real property located in urban renewal areas. But the URL does not specifically tell the Administrator how assessors should complete this task. Instead, the URL imbues the Administrator with the following broad authority: "The manner and methods by which the requirements of this subsection (9) are to be implemented by county assessors shall be contained in such manuals, appraisal procedures, and instructions, as applicable, that the property tax administrator is authorized to prepare and publish pursuant to

section 39-2-109(1)(e)." § 31-25-107(9)(h). The Administrator publishes her methodology in the Assessors' Reference Library ("Reference Library"). *See* 2 Colo. Div. of Prop. Tax'n & Dep't of Loc. Affs., *Assessors' Reference Library: Administrative & Assessment Procedures Manual* 12.1–12.36 (Rev. Dec. 2023) ("2 ARL"), https://arl.colorado.gov/chapter-12-special-topics [https://perma.cc/8J26-F3WB].

¶10 The Reference Library is subject to the approval of the State Board of Equalization, § 39-2-109(1)(e), and is binding on assessors, *Huddleston v. Grand Cnty. Bd. of Equalization*, 913 P.2d 15, 17 (Colo. 1996); *see also* Colo. Const. art. X, § 15(2). So, in short, the URL charges the Administrator with determining how to value property within an urban renewal area, and to that end, the Administrator has broad authority to establish the methodology assessors must follow in conducting such valuations.

C. How the Administrator's TIF Methodology Allocates Property Tax Revenue

¶11 With this background in mind, we next explain the first step in how assessors allocate property tax revenue between urban renewal authorities and local governmental entities. Under the URL, assessors identify two different property values within an urban renewal area: a base value and an increment value. The base value is the value of the properties in an urban renewal area before the adoption of the urban renewal plan. *E. Grand Cnty. Sch. Dist. No. 2 v. Town of*

Winter Park, 739 P.2d 862, 864 (Colo. App. 1987) (noting that the assessor determines the base value "by assessing the value of the property within the urban renewal area prior to adoption of the urban renewal plan"); *see also* § 31-25-107(9)(a)(I); *Denver Urb. Renewal Auth. v. Byrne*, 618 P.2d 1374, 1378 (Colo. 1980) (describing the base value as "representing the valuation immediately prior to the approval of the plan"). Property tax revenue derived from the base value is distributed to local governmental authorities, § 31-25-107(9)(a)(I), which use those revenues to fund public services, such as road repairs and schools, *see* § 31-25-107(9).

¶12 The increment value, in contrast, is any value attributable to the redevelopment of the urban renewal area. § 31-25-107(9)(a)(II); *Town of Winter Park*, 739 P.2d at 864 (noting that, after a base value is assigned, the assessor reassesses the property "in subsequent years for tax purposes in the hopes that the urban renewal plan has increased its value"); *see also Byrne*, 618 P.2d at 1378 (describing the increment value as "the valuation subsequent to the approval of the plan"). Property tax revenue derived from the increment value is distributed to the urban renewal authority and "used to pay down the debt against the project." *Scott*, ¶ 2, 410 P.3d at 722.

¶13 When the general reassessment of all property in the state occurs every two years, *see* § 39-1-104(10.2), C.R.S. (2023), the base and increment values of the

properties within an urban renewal area are also reassessed. The URL requires that, in the event of a general reassessment, an assessor shall also proportionately adjust these two values. Specifically, the URL provides:

> In the event there is a *general reassessment* of taxable property valuations in any county including all or part of the urban renewal area subject to division of valuation for assessment under paragraph (a) of this subsection (9) . . . , the portion[] of valuation[] for assessment . . . under . . . subparagraph[] (I) . . . of said paragraph (a) *shall be proportionately adjusted in accordance with such reassessment or change*.

§ 31-25-107(9)(e) (emphases added). [2]

¶14 The next step in the Administrator's methodology—which determines and proportionately adjusts the base and increment values—is the subject of the dispute in this case, so we turn there now.

D. How the Administrator's TIF Methodology Proportionately Adjusts Base Value and Increment Value

¶15 Recall that the Reference Library details the methodology that assessors must follow when valuing and assessing real property in an urban renewal area. *Huddleston*, 913 P.2d at 17. Consistent with section 31-25-107(9)(e), the Reference Library provides that "whenever there is a general reassessment of property, the base and increment values are proportionately adjusted in accordance with the

[2] While the URL does not define the term "general reassessment," under Colorado's general property tax statute, real property is reassessed every two years. *See* § 39-1-104(10.2) ("[A] reassessment cycle shall be instituted with each cycle consisting of two full calendar years.").

reassessment." 2 ARL 12.13. The Reference Library instructs assessors to perform the proportionate adjustment by differentiating "non-reassessment changes" from "reassessment changes." *Id.* at 12.14–18.

¶16 By calculating "non-reassessment changes," assessors seek to "isolate the value attributable solely to the change in the property." *Id.* at 12.16. The Reference Library defines "non-reassessment changes" as follows:

> Non-reassessment changes are *property specific* and affect the increment only. Value changes to specific properties are caused by one or more of three events:
>
> 1) Changes to the physical characteristics of a property
>
> 2) Changes to the legal characteristics of a property
>
> 3) Changes in a property's use
>
> Typically these events follow the undertakings of a[n urban renewal authority] . . . . The value, if any, attributed to new development is evidenced by these events. A non-reassessment event that impacts the value of property in a TIF area is attributable to the increment, whether or not such change is demonstrated to be directly caused by undertakings of the [urban renewal authority] . . . . *However, indirect benefits resulting from market perceptions that properties located in a TIF plan are more or less desirable/valuable are evidenced when any sort of reassessment event occurs, and such event applies proportionately to both the base and increment.*

Id. at 12.15 (second emphasis added).

¶17 The construction of new housing units within an urban renewal area is an example of a non-reassessment change that directly impacts the value of specific

property in such an area.[3] § 31-25-103(10)(c), C.R.S. (2023) (listing examples of redevelopment efforts, including the "[i]nstallation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of . . . the urban renewal plan"). Non-reassessment changes in value in an urban renewal area are allocated to the increment, and thus, property tax revenues produced by these changes are allocated to the developing urban renewal authority. 2 ARL 12.2, 12.15.

¶18 Conversely, reassessment changes are not caused by changes to the physical characteristics, legal characteristics, or use of property in urban renewal areas.[4] *See id.* at 12.15. Rather, reassessment changes are generally caused by changes in economic conditions that indirectly impact property values. Such changes in value are often the result of general market conditions, like market supply and demand and interest rates, that affect all property—not just property within an urban renewal area—similarly. *Id.*

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[3] The Reference Library acknowledges that new development need not be "demonstrated to be directly caused by undertakings of the [urban renewal authority]" to constitute a non-reassessment change. 2 ARL 12.15.

[4] The Reference Library does not explicitly define the term "reassessment changes." *See generally* 2 ARL 12.1–12.36.

¶19 Notably, pursuant to volume 2, section 12.15 of the Reference Library, reassessment changes also include "indirect benefits resulting from market perceptions that properties located in a TIF plan are more or less desirable [or] valuable." In other words, reassessment changes capture indirect benefits to property values that can't be identified as the result of redevelopment efforts. Reassessment changes are allocated proportionately to the base and increment values, and thus, property tax revenues produced by these changes are proportionately allocated to local governmental authorities and urban renewal authorities. *Id.*

¶20 Having explained the nuances of the Administrator's methodology, we turn to the procedural history of this case.

II. Procedural History

¶21 In June 2018, AURA sued the Administrator and the Assessor, contending, as pertinent here, that the Administrator's methodology for implementing TIF and the Assessor's application of that methodology violate the URL. AURA sought declaratory and injunctive relief.

¶22 After AURA and the Assessor filed cross-motions for summary judgment, the district court granted summary judgment in the Assessor's favor, concluding that the Administrator's methodology and the Assessor's application of that methodology were "required by and compliant with the URL" and its legislative

history. On appeal, AURA challenged, among other things, the district court's determination that the Administrator's methodology is consistent with the URL.

¶23 In a split, published opinion, a division of the court of appeals affirmed in part and reversed in part the district court's summary judgment. *Kaiser*, ¶¶ 101–103, 507 P.3d at 1049–50. The majority agreed with the Administrator's methodology to the extent it differentiated reassessment changes from non-reassessment changes. *Id.* at ¶¶ 78–79, 507 P.3d at 1046 ("These distinctions clearly are consistent with the URL and are within the expertise and delegated authority of the Administrator.").

¶24 But the majority disagreed with the Administrator's methodology to the extent it differentiated direct benefits from indirect benefits. *Id.* at ¶ 81, 507 P.3d at 1046–47. The majority explained that crediting the base value with indirect benefits didn't make sense because, "[b]ut for the TIF plan, there would be no market perception that a property in the TIF plan was more or less desirable or valuable." *Id.* at ¶ 80, 507 P.3d at 1046. Consequently, the majority concluded that "[i]t does not effectuate the legislature's intent to credit the base value with the increases in value caused by the urban renewal plan." *Id.* at ¶ 81, 507 P.3d at 1047. For these reasons, the majority reversed the summary judgment in favor of the Assessor and remanded to the district court with directions to enter a declaratory

judgment voiding the portion of the Reference Library that differentiates direct benefits from indirect benefits. *Id.* at ¶ 103, 507 P.3d at 1050.

¶25 Judge Yun concurred in part and dissented in part. *Id.* at ¶ 104, 507 P.3d at 1050 (Yun, J., concurring in part and dissenting in part). Specifically, he disagreed with the majority that the Administrator's procedures for "proportionately adjusting the base and increment values is contrary to law." *Id.* Judge Yun concluded that the Administrator's methodology was entitled to deference because the regulations at issue are complex and call for "technical expertise." *Id.* at ¶ 115, 507 P.3d at 1052 (quoting *El Paso Cnty. Bd. of Equalization v. Craddock*, 850 P.2d 702, 705 (Colo. 1993)). He summarized his view as follows: "As I see it, the majority's disapproval of the Reference Library's distinction between direct and indirect benefits crosses the line into the area of public policy." *Id.* at ¶ 119, 507 P.3d at 1053.

¶26 The Administrator and the Assessor petitioned this court for certiorari review. We granted that petition.[5]

[5] We granted certiorari on the following issue: "Whether the majority's invalidation of the Administrator's long-standing methodology for implementing the Colorado urban renewal law's tax increment financing provision impermissibly overrides the General Assembly's delegation of authority to the Administrator and conflicts with this court's precedent."

III. Analysis

¶27 The question presented in this case is whether the Administrator's procedures for implementing TIF violate the URL. More precisely, the parties disagree whether the Administrator's procedures violate the URL to the extent they differentiate direct benefits from indirect benefits.

¶28 To answer this question, we begin by setting forth the standard of review. Then, we compare the relevant portions of the URL and the Administrator's procedures, and in doing so, conclude that the Administrator's methodology does not violate the URL.

A. Standard of Review

¶29 The issue presented concerns questions of statutory interpretation. We review such questions de novo. *McCoy v. People*, 2019 CO 44, ¶ 37, 442 P.3d 379, 389. "Our primary task in construing a statute is to effectuate the intent of the General Assembly." *Kinder Morgan CO_2 Co., L.P. v. Montezuma Cnty. Bd. of Comm'rs*, 2017 CO 72, ¶ 24, 396 P.3d 657, 664. We do so by "giving 'words and phrases their plain and ordinary meanings' and reading the statutory 'scheme as a whole, giving consistent, harmonious, and sensible effect to all of its parts.'" *People in Int. of A.C.*, 2022 CO 49, ¶ 10, 517 P.3d 1228, 1233 (quoting *McCoy*, ¶¶ 37–38, 442 P.3d at 389). "If the statute is unambiguous—that is, not open to multiple interpretations—then our work is done." *Id.*, 517 P.3d at 1234.

¶30 We apply the same rules when construing an administrative regulation. *Regular Route Common Carrier Conf. of Colo. Motor Carriers Ass'n v. Pub. Utils. Comm'n*, 761 P.2d 737, 745 (Colo. 1988). An agency's interpretation "of its own rules is generally entitled to great weight unless it is plainly erroneous or inconsistent with . . . the underlying statute." *Berumen v. Dep't of Hum. Servs.*, 2012 COA 73, ¶ 25, 304 P.3d 601, 606 (quoting *Bishop v. Dep't of Insts.*, 831 P.2d 506, 508 (Colo. App. 1992)).

B. Application

¶31 Under the plain language of the URL, can the Administrator require an assessor to differentiate direct benefits from indirect benefits when proportionately adjusting the base and increment values of properties located in an urban renewal area? Two provisions of the URL lead us to conclude that she can.

¶32 First, pursuant to its plain text, section 31-25-107(9)(e) requires some form of proportionate adjustment of the base and increment values of property located in urban renewal areas during a general reassessment. Second, section 31-25-107(9)(h) of the URL entrusts the Administrator with broad authority to establish the "manner and methods by which the requirements of this subsection (9) are to be implemented by county assessors."

¶33 In our view, these provisions of the statute answer the question presented in this case. Read together, the language in subsection (9) isn't reasonably susceptible to multiple interpretations. On the contrary, it's unambiguous, unequivocal, and mandatory. Section 31-25-107(9)(a) demonstrates the General Assembly's intent to divide property tax revenue derived from property within an urban renewal area by allocating increases in value, and thus, increases in property tax revenue, to the urban renewal authority. However, section 31-25-107(9)(e) reflects the General Assembly's intent to ease the negative impact on the local tax base by mandating periodic adjustments between the base and increment values. Considered in context, Colorado's TIF scheme is not intended to advance redevelopment at all costs, but rather to strike a balance between funding redevelopment and funding other important services, like fire protection and schools.[6]

¶34 And here, it is what the General Assembly did not say that speaks volumes. In enacting the URL, the General Assembly opted not to prescribe a methodology for implementing TIF or incentivizing urban renewal. Instead, the URL imbues

[6] A preliminary version of section 31-25-107(9) would have implemented a frozen-base TIF model. *See* Second Reading of H.B. 1099 before the Senate, 50th Gen. Assemb., 1st Reg. Sess. (June 3, 1975). A day before the bill was adopted, however, the bill sponsor introduced an amendment that added subsection (9)(e) to avoid the adoption of a frozen-base TIF model that the sponsor indicated would create problems with the state's school funding mechanism. *Id.*

the Administrator with broad authority to determine how the base and increment values of properties located in an urban renewal area should be calculated and how to proportionately adjust those values. *See* § 31-25-107(9)(h). For these reasons and those detailed below, we conclude that the plain language of the URL does not preclude the Administrator's methodology of differentiating direct benefits from indirect benefits.

¶35 AURA nonetheless asks us to affirm the portion of the majority's decision that voided the Administrator's methodology because, in AURA's view, the methodology conflicts with the URL's purpose of redeveloping blighted areas. As noted, AURA specifically challenges the portion of the Administrator's methodology that credits the base value with "indirect benefits resulting from market perceptions that properties located in a TIF plan are more . . . valuable." 2 ARL 12.15. According to AURA, these indirect benefits result from urban renewal authorities designating blighted property as being "located in a TIF plan." *Id.* Therefore, AURA argues, these indirect benefits should be credited to the increment, and thus, to urban renewal authorities in the form of increased property tax revenue. The Administrator's methodology instead credits the base value with all property valuation increases that can't be directly attributed to redevelopment activities. As a result, it is other local governmental entities—not

urban renewal authorities—that receive the property tax revenue derived from those increases in value.

¶36 The majority was persuaded by AURA's policy arguments, agreeing that "[m]arket perceptions that properties located in a TIF plan are more or less desirable or valuable logically are attributable to the TIF plan, not general market conditions." *Kaiser*, ¶ 80, 507 P.3d at 1046. Thus, the majority concluded that the portion of the Administrator's methodology that "credit[s] the base value with the increases in value caused by the urban renewal plan" is inconsistent with the purpose of the URL, *id.* at ¶ 81, 507 P.3d at 1047, and declared it void as a matter of law, *id.* at ¶ 98, 507 P.3d at 1049.

¶37 There is, without question, a certain logic to that reasoning. But "[i]t is not up to the court to make policy or to weigh policy" when interpreting unambiguous statutes. *Edwards v. New Century Hospice, Inc.*, 2023 CO 49, ¶ 27, 535 P.3d 969, 975 (quoting *Town of Telluride v. Lot Thirty-Four Venture, L.L.C.*, 3 P.3d 30, 38 (Colo. 2000)). Instead, courts must interpret and apply unambiguous statutes as written. *See A.C.*, ¶ 10, 517 P.3d at 1234.

¶38 Here, the relevant provisions of the URL—sections 31-25-107(9)(e) and 31-25-107(9)(h)—unambiguously entrust the Administrator with the responsibility to develop "[t]he manner and methods by which the requirements of this subsection (9) are to be implemented." This authority extends to her

decision to differentiate direct benefits from indirect benefits. When reviewing statutes that delegate authority to agencies, we must "afford deference to the interpretation given the statute by the officer or agency charged with its administration." *Craddock*, 850 P.2d at 704; *see also Colo. Prop. Tax Adm'r v. CO_2 Comm., Inc.*, 2023 CO 8, ¶ 41, 527 P.3d 371, 379 ("[T]he Administrator's construction of these statutes warrants our deference." (citing *Craddock*, 850 P.2d at 704–05)). In this case, the officer charged with interpreting the URL and administering TIF is the Administrator.

¶39 Nevertheless, AURA asserts that the Administrator's methodology yields absurd results for urban renewal authorities. AURA contends this methodology is flawed because it "presumes all valuation increases are the result of general market conditions" and "undercounts the valuation changes caused by the TIF designation and initial redevelopment planning that indirectly affect these property values." In support, AURA cites four examples in which the Assessor credited sharp increases in property values in urban renewal areas to the base values of the properties located in those TIF plans. The following table illustrates AURA's examples.

TIF Area	Initial Base Valuation	Post-TIF Assessed Valuation	Post-TIF Base Valuation	Post-TIF Increment Valuation
#4408	$805,519 (2014)	$1,784,143 (2015)	$1,784,143 (2015)	$0 (2015)
#4406	$539,932 (2014)	$1,586,563 (2019)	$1,505,796 (2019)	$80,767 (2019)
#4407	$297,929 (2014)	$1,185,212 (2019)	$1,124,832 (2019)	$60,380 (2019)
#4401	$259,482 (2014)	$525,978 (2018)	$525,978 (2018)	$0 (2018)

¶40 Applying the Administrator's methodology, the Assessor credited the increment value only to the extent property values were directly benefited by non-reassessment changes, i.e., redevelopment efforts. *See* 2 ARL 12.15. This was because, in these areas, no redevelopment occurred between when the Assessor assigned an initial base value and when he subsequently reassessed the properties in those urban renewal areas in the years identified above. The Assessor therefore concluded that the property value increases were caused by reassessment changes—like general market conditions and/or market perceptions that the property was more valuable because it was located in an urban renewal area—and credited only the base value with these increases. *See id.* When redevelopment thereafter began in these areas, the incremental values of the properties dramatically increased.

¶41 AURA is correct that we can't read statutes "in a manner that would 'lead to illogical or absurd results.'" *A.C.*, ¶ 10, 517 P.3d at 1233–34 (quoting *McCoy*, ¶ 38, 442 P.3d at 389). But we do not perceive absurdity in these examples. Rather, we conclude that the Administrator is acting well within the scope of her authority under the URL in adopting a methodology that balances the interests of local taxing authorities and urban renewal authorities by requiring a more direct relationship between AURA's redevelopment efforts and the tax revenues it receives as a result of those efforts. Put another way, the Administrator's methodology is aimed at ensuring that an urban renewal authority receives only property tax revenues produced as a result of its actual *urban renewal projects*—not simply its *urban renewal plans*.[7] On this last point, our decision in *Byrne* is instructive.

¶42 In that case, we considered the constitutionality of TIF shortly after the General Assembly amended the URL to include it. *Byrne*, 618 P.2d at 1381. The

[7] While the terms "urban renewal plan" and "urban renewal project" may seem similar, their meanings are distinct. The General Assembly defines "[u]rban renewal plan" as "a plan . . . for an urban renewal project, which plan conforms to a general or master plan for the physical development of the municipality as a whole." § 31-25-103(9). The General Assembly defines "[u]rban renewal project" as the "undertakings and activities for the elimination and for the prevention of the development or spread of slums and blight." § 31-25-103(10). Such undertakings and activities may include, among other things, "slum clearance and redevelopment, or rehabilitation, or conservation, or any combination or part thereof, in accordance with an urban renewal plan." *Id.*

City and County of Denver ("Denver") argued, as relevant here, that TIF was unconstitutional because it diverted to the Denver Urban Renewal Authority ("DURA") tax revenues Denver had used to fund other public services, like schools. *Id.* at 1381–82. This court rejected Denver's constitutional challenge, reasoning, among other things, that TIF did not deprive Denver of tax revenues to which it was entitled because "[t]he portion of tax revenues allocated to DURA represent [sic] the amount generated by virtue of increased property valuation which would not have existed *but for the project*." *Id.* at 1387 (emphasis added). The court explained that section 31-25-107(9)(e)—the proportionate adjustment provision—ensures that tax revenues produced by redevelopment efforts (i.e., non-reassessment changes) are allocated to urban renewal authorities, while revenues not caused by redevelopment (i.e., reassessment changes) are allocated to the municipality. *Id.* The court declared that the General Assembly "carefully devised" this financing scheme "so that there is a *direct relationship* between the increased valuation of property within the project area . . . and the project financed by the bond issue." *Id.* at 1382 (emphasis added).

¶43 Contrary to AURA's assertion and the division's conclusion, the *Byrne* decision supports the Administrator's methodology. In *Byrne*, we explained that TIF did not deprive Denver of tax revenues to which it was entitled because the tax revenues at issue would not have been produced *but for* DURA's

redevelopment efforts. *Id.* In effect, then, we interpreted Colorado's urban renewal taxation scheme as adopting the "direct relationship" approach to implementing TIF. *Id.* This approach ensures that urban renewal authorities receive those tax revenues produced as a result of redevelopment efforts. At the same time, the approach ensures that municipalities and other local governmental entities still receive tax revenues necessary to fund other public services, such as road repair and fire protection.

¶44 To be sure, not all states follow the "direct relationship" approach. Some states, such as California, have in years past adopted the "deemed" approach to implementing TIF. *See generally* Richard Briffault, *The Most Popular Tool: Tax Increment Financing and the Political Economy of Local Government*, 77 U. Chi. L. Rev. 65, 69 (2010); *see also Cal. Redevelopment Ass'n v. Matosantos*, 267 P.3d 580, 591 (Cal. 2011). Under the "deemed" approach, local taxing authorities responsible for upkeeping roads and schools, among other services, "are allocated a portion based on the assessed value of the [blighted] property prior to the effective date of the redevelopment plan." *Matosantos*, 267 P.3d at 591. But unlike states that follow the "direct relationship" approach, states that follow the "deemed" approach never adjust the base value of blighted property located in urban renewal areas to account for changes caused only by general market conditions. Instead, the base value remains "frozen," and all property value increases are "deemed the result

of the urban redevelopment efforts by the municipality and [are] distributed to the urban renewal authority." *Town of Winter Park*, 739 P.2d at 864; *see Matosantos*, 267 P.3d at 591 ("In essence, property tax revenues for entities other than the redevelopment agency are frozen, while revenue from any increase in value is awarded to the redevelopment agency on the theory that the increase is the result of redevelopment."). Importantly, these states' TIF schemes don't contain a provision like Colorado's section 31-25-107(9)(e), which expressly requires assessors to proportionately adjust the base value during each general reassessment.

¶45 Since we announced *Byrne*, two divisions of the court of appeals have interpreted section 31-25-107(9)(e) in different ways. The *Winter Park* division held that a county had standing to challenge a TIF plan, concluding that it had been injured by the diversion of tax revenues to an urban renewal authority. 739 P.2d at 864. In so concluding, the division, which did not analyze *Byrne*, appeared to interpret the statute as adopting the "deemed" approach to implementing TIF. *Id.; accord Reyes*, ¶ 3, 300 P.3d at 986; *see also Kaiser*, ¶¶ 92–95, 507 P.3d at 1048–49 (concluding that "*Byrne* does not control the outcome here" and adopting the "deemed" approach). By contrast, the division in *Board of Commissioners v. City of Broomfield*, 7 P.3d 1033 (Colo. App. 1999), reached a different conclusion under similar facts. Relying explicitly on *Byrne*'s "direct relationship" language, the

division held that a county did not have standing to challenge the adoption of a TIF plan. *Id.* at 1036. The division explained that TIF did not deprive the county of tax revenues to which it was entitled because "[o]nly the increases in the value of a property over the assessed base values go to the renewal authority." *Id.*

¶46 Today, we reiterate the principle discussed in *Byrne*: Colorado's TIF scheme requires a "direct relationship" between an urban renewal authority's redevelopment efforts and the tax revenues it receives. *Byrne*, 618 P.2d at 1382. To the extent other decisions differ from this principle, those decisions are inconsistent with *Byrne* and section 31-25-107(9)(e) and are therefore overruled.

¶47 Still, AURA argues that "[t]here is an obvious, lawful alternative to the Administrator's methodology." Specifically, AURA proposes that the Administrator proportionately allocate "a percentage of valuation change to Base Valuation to reflect the percentage of market appreciation in the county generally." AURA explains that "[t]he remaining valuation would be allocated to Incremental Valuation as being indicative of the impact of the TIF area on property values."

¶48 As we have explained, however, the plain language of the URL controls. "When a statute is unambiguous, public policy considerations beyond the statute's plain language have no place in its interpretation." *Edwards*, ¶ 27, 535 P.3d at 975 (quoting *Samuel J. Stoorman & Assocs., P.C. v. Dixon*, 2017 CO 42, ¶ 11, 394 P.3d 691,

695). AURA may well be correct that there is a better method for implementing TIF in order to maximize urban renewal efforts. But it is not up to courts to make or weigh policy. Instead, the URL explicitly and unambiguously adopts the direct relationship approach by virtue of requiring proportionate adjustments whenever there is a general reassessment, and it entrusts the Administrator with crafting the methodology to determine how to make these adjustments.

¶49 For all these reasons, we conclude that the Administrator's methodology of differentiating direct benefits from indirect benefits does not violate the URL.

IV. Conclusion

¶50 We reverse the portion of the division's judgment that voids the Administrator's methodology for proportionately adjusting the base and increment values of property located in urban renewal areas and conclude that the district court correctly entered summary judgment.