

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF THE)
TOWN OF WINFIELD, LAKE COUNTY,)
INDIANA, FOR APPROVAL OF A)
REGULATORY ORDINANCE ESTABLISHING) CAUSE NO. 45992
A SERVICE TERRITORY FOR THE TOWN'S)
MUNICIPAL SEWER SYSTEM PURSUANT TO)
IND. CODE § 8-1.5-6 ET SEQ)**

**VERIFIED CROSS-ANSWERING TESTIMONY
of
CHRIS SALATAS**

**On Behalf of Intervenor,
LBL Development, LLC**

Intervenor's Exhibit No. 5

1 **INTRODUCTION**

2 **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A1. My name is Chris Salatas. I am the President and CEO of the Lake County Economic
4 Alliance ("LCEA"). I also work as the Director of Economic Development and Political
5 Affairs for Lotton Development, Inc., manager of intervenor LBL Development, LLC
6 ("LLC").

7 **Q2. ARE YOU THE SAME CHRIS SALATAS WHO PRE-FILED DIRECT**
8 **TESTIMONY IN THIS CAUSE?**

9 A2. Yes.

10 **Q3. ON WHOSE BEHALF ARE YOU TESTIFYING?**

11 A3. I am testifying on behalf of LBL.

12 **Q4. WHAT IS THE PURPOSE OF YOUR CROSS-ANSWERING TESTIMONY?**

13 A4. In my cross-answering testimony, I will respond to the responsive testimony of the Town
14 of Winfield, Indiana's ("Winfield") witnesses Zach Beaver and Jennifer Wilson regarding
15 the effect of Crown Point's wastewater rates on economic development in the area in which
16 both Winfield and the City of Crown Point, Indiana ("Crown Point") are seeking to provide
17 wastewater utility service (the "Disputed Area").

18 **Q5. PLEASE SUMMARIZE YOUR CROSS-ANSWERING TESTIMONY.**

19 A5. Winfield's witnesses misstate how economic development actually works and what factors
20 promote economic development in an area. Utility rates can have some effect on economic
21 development, but lack of reliable utility service in an area *will* prevent economic
22 development.

1 A municipality's support of and collaboration with developers and businesses
2 looking to locate in an area is one of the most important factors affecting economic
3 development. As described in further detail by Crown Point witness and Economic
4 Development Director Greg Falkowski, Crown Point has been incredibly successful in
5 attracting major industrial, commercial, and residential development to the City. I believe
6 this is because Crown Point is a supportive, collaborative partner for developers like LBL.
7 Crown Point has a well-developed plan to provide wastewater service to LBL's property
8 in the Disputed Area, and LBL has donated 44 acres of high-value land for Crown Point to
9 build a new wastewater treatment plant ("SE WWTP") to serve both the LBL development
10 and other future development in the area. The partnership between LBL and Crown Point
11 is a great example of a productive collaboration between a municipality and a developer.
12 This type of work should be encouraged and will present significant economic
13 development opportunities for Lake County and the State of Indiana.

14 Winfield, on the other hand, has demonstrated it is unwilling to support or work
15 collaboratively with developers. Winfield also has no feasible plan to provide wastewater
16 utility service to its requested exclusive service territory. Moreover, Winfield has never
17 communicated with LBL to provide any information about its supposed plans or the cost
18 to implement them until it was served with discovery in this Cause, as Mr. Beaver
19 acknowledges in his testimony. Those "plans" are byzantine and rely on pumping
20 wastewater uphill for miles, which could limit the types of customers that could locate in
21 the area. Winfield does not have the necessary experience or financial resources to support
22 a large, sophisticated development like that planned by LBL. If the Commission were to

1 grant Winfield's request in this Cause, economic development in the Winfield Requested
2 Territory could not proceed.

3 **Q6. ARE YOU SPONSORING ANY ATTACHMENTS TO YOUR CROSS-**
4 **ANSWERING TESTIMONY?**

5 A6. Yes, I am sponsoring Attachment CS-4, which is a copy of a letter from Jacquelyn S. Pillar,
6 attorney for Crown Point Community School Corporation, to the Commission.

7
8 **ECONOMIC DEVELOPMENT IN THE DISPUTED AREA**

9 **Q7. MR. BEAVER CLAIMS THAT "CROWN POINT'S RATES AND CHARGES**
10 **WOULD BE A SIGNIFICANT DETERRENT TO ECONOMIC DEVELOPMENT**
11 **IN THE DISPUTED AREA." HOW DO YOU RESPOND?**

12 A7. I disagree with Mr. Beaver. In my many years of experience working to support economic
13 development in Lake County, I have never encountered a situation where Crown Point's
14 utility rates deterred economic development or developer investment in any way. In fact,
15 Crown Point is experiencing significant commercial and residential growth. Nearly \$300
16 million in construction is underway at the new Point 65 Business Center between 137th
17 Avenue and 129th Avenue east of I-65 in Crown Point. CORE X CROWN just opened the
18 first phase of a \$200 million cold storage facility that will eventually employ up to 150
19 people distributing ice cream, TV dinners, and other frozen-food products around the
20 country. Just down the street, Arcadia Cold is building a \$93 million, 322,600-square-foot
21 warehouse in the business center that will add 90 full-time jobs to the area.

22 **Q8. SIMILARLY, MS. WILSON TESTIFIES THAT "CROWN POINT'S RATES ARE**
23 **EXCESSIVE, WOULD PLACE A HARDSHIP ON THE END USERS, AND**

**WOULD DISCOURAGE ECONOMIC DEVELOPMENT IN THE DISPUTED
AREA.” HOW DO YOU RESPOND?**

A8. I also disagree with Ms. Wilson. The massive amount of recent economic development in Crown Point, including hundreds of millions of dollars in major development projects completed and under construction, completely refutes Winfield's argument that wastewater rates are a deterrent to economic development there. Ms. Wilson, like Mr. Beaver, ignores the fact that Winfield's inability to provide reliable wastewater service does far more than “discourage” economic development – it prevents it. Economic development in the Disputed Area will not move forward if Winfield's request to become the exclusive wastewater service provider in the Disputed Area is granted by the Commission. Mr. Lotton made clear that LBL will abandon its plans to develop the area if Winfield is declared the exclusive provider of service in any area of Lake County. If a major developer abandons a site because of an unfavorable regulatory environment, I am concerned that the area will go undeveloped, and Lake County and its residents will lose the opportunities presented by a valuable economic development corridor. As Mr. Beaver recognizes, “Lake County, . . . will have exclusive economic development jurisdiction over the area.”

On the other hand, I agree with OUCC witness Kristen Willoughby that “establishing Crown Point as the sole sewage provider in the Disputed Area should facilitate growth and economic development. Approval of the Disputed Area would provide predictability to prospective customers by establishing certainty as to the provider of wastewater service.” Public's Exhibit No. 1 at 11.

**Q9. DO YOU BELIEVE THAT WINFIELD'S WASTEWATER RATES ARE LIKELY
TO REMAIN LOWER THAN CROWN POINT'S RATES?**

1 A9. No, I do not. While Crown Point's wastewater rates are ostensibly higher than Winfield's
2 wastewater rates right now, Crown Point witness Greg Guerrettaz explains that Winfield's
3 wastewater rates are artificially low and will ultimately need to be raised well beyond
4 Crown Point's current rates to support the infrastructure additions needed to serve the
5 Disputed Area.

6 **Q10. WOULD YOU FEEL COMFORTABLE TOUTING WINFIELD'S "LOWER"**
7 **WASTEWATER RATES AS A REASON FOR DEVELOPERS TO PLAN**
8 **PROJECTS IN WINFIELD?**

9 A10. Absolutely not. Winfield has only operated its wastewater utility for a little over a decade,
10 and, as discussed in my prior answer, its wastewater rates are artificially low. I could not
11 in good conscience represent to developers that Winfield's "lower" wastewater rates are
12 stable and unlikely to increase significantly in the future.

13 **Q11. IN YOUR EXPERIENCE, WHAT MIGHT BE A SIGNIFICANT DETERRENT TO**
14 **ECONOMIC DEVELOPMENT IN AN AREA?**

15 A11. A significant deterrent to economic development is a lack of support from the municipality
16 or other governmental unit where development is planned. For example, if a local
17 government is unwilling to work collaboratively with a developer regarding matters such
18 as engineering, budgeting, zoning, and utility services, a developer very well could decide
19 to locate its planned project elsewhere.

20 **Q12. HOW IMPORTANT IS IT TO ECONOMIC DEVELOPMENT THAT THE LOCAL**
21 **GOVERNMENT WORK COLLABORATIVELY WITH DEVELOPERS?**

22 A12. I believe that a local government's willingness to collaborate with developers is one of the
23 most important factors in promoting economic development. New development provides

1 immense benefits, financial and otherwise, to a locality, and so it is in the municipality's
2 best interest to earnestly support such development. To that end, many municipalities have
3 a dedicated professional working as a Director of Economic Development to communicate
4 and collaborate with developers on tasks like the development of site plans, zoning and
5 other approvals, and utility connections.

6 **Q13. DOES CROWN POINT HAVE A DIRECTOR OF ECONOMIC DEVELOPMENT?**

7 A13. Yes, Crown Point's Economic Development Director, Mr. Falkowski, has provided
8 testimony in this Cause describing Crown Point's economic development efforts and
9 successes.

10 **Q14. DOES WINFIELD HAVE A DIRECTOR OF ECONOMIC DEVELOPMENT?**

11 A14. No, Winfield does not have a Director of Economic Development or any employee
12 dedicated to promoting economic development within Winfield. Moreover, Winfield's
13 position in this case, as evidenced in its discovery responses and the testimony of Mr.
14 Beaver, is that it is not responsible for economic development in Lake County. Simply put,
15 this is a terrible position for any municipality located in the County to take. The entire
16 northwest Indiana region benefits from economic development. Even Hebron, which is not
17 located in Lake County, has shown a willingness to work with developers to promote
18 economic development in Lake County.

19 **Q15. HOW DOES RESIDENTIAL DEVELOPMENT AFFECT ECONOMIC**
20 **DEVELOPMENT IN AN AREA?**

21 A15. Residential development is extremely important to economic development in an area. As I
22 stated in my direct testimony, a shortage of available housing hurts commercial and
23 industrial development, as employees of businesses and worksites need housing near where

1 they work. Multi-use housing developments like the one planned by LBL for the Disputed
2 Area will help alleviate the housing shortage in Lake County. In addition to housing, the
3 quantity and quality of local schools are also very important to residential development in
4 an area. Workers need housing, and their children need to attend school.

5 **Q16. HAVE ANY SCHOOLS IN THE AREA EXPRESSED A PREFERENCE**
6 **REGARDING THEIR UTILITY SERVICE PROVIDER AS IT RELATES TO THIS**
7 **CAUSE?**

8 A16. Yes. Attached to my testimony as Attachment CS-4 is a letter from Jacquelyn S. Pillar,
9 counsel for Crown Point Community School Corporation, to the Commission stating that
10 the Crown Point Community School Corporation owns 52 acres in the Winfield Requested
11 Territory and would prefer to “receive water and sanitary services from the City of Crown
12 Point for this parcel in light of the City’s proximity to the parcel, as well as the City’s
13 demonstrated ability to provide these services.”

14 **Q17. IS CROWN POINT COMMUNITY SCHOOL CORPORATION’S POSITION ON**
15 **THIS MATTER UNIQUE?**

16 A17. To the best of my knowledge, no. I am not aware of any schools in the Winfield Requested
17 Territory who have reacted positively to Winfield potentially having an exclusive
18 wastewater service territory in the area.

19 **Q18. ARE THERE OTHER FACTORS THAT MIGHT SERVE AS A SIGNIFICANT**
20 **DETERRENT TO ECONOMIC DEVELOPMENT IN AN AREA?**

21 A18. Yes, certainty and predictability. As noted by Mr. Lotton, a municipality’s inability to
22 connect a developer’s property to utility services at a cost that makes such connection
23 feasible would be the ultimate deterrent to economic development. Without utility

1 connections, development cannot proceed. Developers and businesses cannot spend an
2 unlimited amount to connect their sites to utilities, and they certainly want certainty as to
3 how much it will cost to extend service to their properties and predictability as to when the
4 service will be provided. Here, Crown Point has developed a plan to extend service to the
5 Disputed Area and beyond that operates by gravity. LBL is planning to work with Crown
6 Point to build off of that infrastructure. To facilitate that plan, LBL donated land to Crown
7 Point to build its wastewater in the Donation Agreement. If a municipality could disrupt
8 those plans simply by declaring itself to be the exclusive provider of service in the area, it
9 would create a level of uncertainty and unpredictability that would have devastating
10 consequences for economic development in this area and perhaps throughout the State of
11 Indiana.

12 **Q19. YOU ALSO PREVIOUSLY TESTIFIED THAT, SINCE YOU HAVE BEEN**
13 **EMPLOYED BY THE LCEA, YOU HAVE NOT WORKED ON ANY ECONOMIC**
14 **DEVELOPMENT PROJECTS IN WINFIELD. IS THAT STILL THE CASE?**

15 A19. Yes, it is.

16 **Q20. WHY DO YOU THINK DEVELOPERS ARE NOT PLANNING PROJECTS IN**
17 **WINFIELD?**

18 A20. It is a combination of all the factors I have discussed. Winfield has not been willing to work
19 collaboratively with developers like LBL, but rather seeks to force its plans on developers
20 without their input (i.e., by filing this case seeking an exclusive service territory without
21 notifying Crown Point or LBL, even though Winfield knew they were collaborating on a
22 project in the area). Winfield has demonstrated repeatedly that it is unable and unwilling
23 to extend wastewater service to developers' properties. Winfield only began claiming it

1 was "ready, willing, and able" to serve (through the testimony of its witnesses like Mr.
2 Beaver and Mr. Lin) after it filed this case with the Commission.

3 The reality is that Winfield cannot even provide wastewater service to many of its
4 town residents, and Winfield certainly has never provided service to any customers outside
5 its corporate boundaries. Winfield has no realistic plan to provide wastewater service to
6 LBL's property and has failed to provide a detailed or realistic cost estimate to serve LBL's
7 development. Crown Point engineering witness Al Stong, on the other hand, has estimated
8 that Winfield's poorly outlined "plans" to serve the Disputed Area through an inefficient
9 system of lift stations and force mains could cost \$25 million or more, and it could cost
10 Winfield \$139 million or more to serve the entire Winfield Requested Territory. Crown
11 Point's fully engineered plans to serve the Disputed Area are significantly less expensive
12 and more efficient.

13 **Q21. WHAT DO YOU THINK WOULD HAPPEN IF THE COMMISSION GRANTED**
14 **WINFIELD'S REQUEST FOR AN EXCLUSIVE WASTEWATER SERVICE**
15 **TERRITORY IN THIS CAUSE?**

16 A21. The land in the Winfield Requested Territory would remain undeveloped indefinitely,
17 because the reality is that Winfield simply does not have the financial means or relevant
18 experience to provide wastewater service in that area.

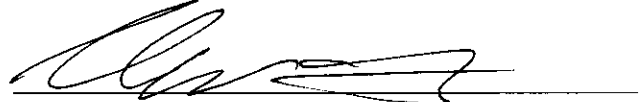
19
20 **CONCLUSION**

21 **Q22. WHAT DO YOU RECOMMEND THE COMMISSION DO?**

- 1 A22. The Commission should deny Winfield's request for approval of Regulatory Ordinance
2 358 in this Cause and approve Crown Point's request for approval of its Ordinance No.
3 2025-02-08 in this Cause and in Cause No. 46035.
- 4 **Q23. DOES THIS CONCLUDE YOUR CROSS-ANSWERING TESTIMONY?**
- 5 A23. Yes, it does.

VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information and belief.



Chris Salatas

Attachment CS-4



MICHAEL D. SEARS
JACQUELYN S. PILLAR

CHERYL A. ZIC
RETIRED
STEVEN R. CRIST
1943-2019

September 10, 2025

VIA FACSIMILE (317) 232-6758

& FIRST CLASS MAIL

Indiana Utility Regulatory Commission

PNC Center

101 W. Washington Street, Suite 1500E

Indianapolis, IN 46204

Attn: Commissioner David Ziegner and Judge Kehinde Akinro

RE: Cause Numbers 45992 and 46035

Commissioner Ziegner and Judge Akinro:

My client, Crown Point Community School Corporation, owns an approximating 52 acre parcel of property that lies within the area subject to the above-referenced Cause Numbers. My client would prefer to receive water and sanitary services from the City of Crown Point for this parcel in light of the City's proximity to the parcel, as well as the City's demonstrated ability to provide these services.

Should you require any additional information or have any questions, please contact me.

Very truly yours,

Jacquelyn S. Pillar
Ext. 233
jpillar@cszlegal.com

JSP/bmp

cc: Dr. Todd Terrill, Superintendent
Matt Ruess, Chief Financial Officer