

International Newsroom

Navistar Proposes World Headquarters Plan for Lisle Lucent Campus

Construction Alone Creates More Than \$100 Million in Spending for Local Environment

Customer Showplace to Research New and Hybrid Technology, Compatible with Community

WARRENVILLE, Ill. (March 5, 2010) –Navistar is proposing to invest more than \$100 million to move its World Headquarters to Lisle, Ill., at the site of the former East Lucent Campus, generating and preserving more than 7,000 direct and indirect jobs for Lisle—all with a plan that is compatible with the surrounding community and preserves a Fortune 500 headquarters in Illinois.

The headquarters would house Navistar's administration, engineering and research and development. The plan requires the final approval of the Village of Lisle. Navistar is also seeking cooperation from the DuPage County Forest Preserve District to acquire ownership over the ring road surrounding the site, which would remove the financial burden of maintaining the road from the county.

“With this plan we'll achieve our twin goals of creating jobs while being a good neighbor for our community,” said Dan Ustian, Navistar chairman, president and chief executive officer. “If our headquarters proposal for Lisle is approved, we will remain in the Chicagoland area for many years to come and, at the same time, ensure our competitiveness in a global marketplace.”

Navistar executives say the new headquarters will be a “customer showplace” for worldwide clients. It will include the Lisle Technology Center (LTC): a world class research and development center that will contain six research and development cells. The LTC would be located on the far Northwest Quadrant of the Lucent Lane campus off Warrenville Road. The research cells will

operate part-time during traditional business hours and one-third of them will focus on hybrid technology which will help Navistar remain a leader at developing environmentally sustainable products. Other research will include work on enhancing Navistar's military vehicle designs to keep our troops safe and developing electric trucks with stimulus money invested with Navistar by President Obama.

The LTC will require storing 12,000 gallons of diesel fuel, far less than area gas stations and in line with the amount of fuel stored at several DuPage County corporate and non-profit facilities. In total, the test cells will be used in moderation requiring 750 gallons of diesel fuel per week and require a fuel delivery about once every eight weeks.

Further, Navistar officials point out that diesel fuel is more stable than gasoline and the least combustible fuel. For these reasons ambulances, fire trucks and school buses are powered by diesel fuel.

The proposal includes a proposed tax increment finance district (TIF) being approved by local DuPage County authorities. As a basis for the TIF, Navistar has committed to work with local officials to have the property value reflect the current 2009 fair market value of more than \$109 million. That commitment is unprecedented considering the property tax appeal of Lucent, the present owner, for 2009. Navistar's commitment preserves steady tax revenue for local units of government—including \$1.37 million for School District #203.

Incremental increases in tax revenues from rising property values above that level would be reinvested in the infrastructure of the TIF district.

Besides budget certainty and revitalizing an abandoned property, an analysis by Ernst & Young estimates the proposal would help the local economy by:

- Generating \$100 million in investments in the new campus project.
- Generating \$4.5 million annually in daily local spending by Navistar

employees.

- Creating an estimated 7,500 annual local hotel-stays by vendors and customers, equating to spending of more than \$1 million.

“We look forward to investing in our new world headquarters in Lisle, contributing to the already-solid reputation of the Illinois Research and Technology corridor and building a strong and lasting relationship with the Lisle community,” said Ustian. “Together we can create a strong economy for our region and ensure Navistar is well-positioned to compete in the global economy.”

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