

# NapervilleSun

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The Illinois Finance Authority board of directors will vote Tuesday on a resolution in favor of a \$145 million bond allocation deal for Navistar.

The deal, if agreed to by all sides, would grant inexpensive financing to the engine and large truck manufacturer for improvements to the site of its new world headquarters in Lisle.

"This is a unique job creation project of statewide importance," said Chris Meister, executive director of the Illinois Finance Authority, which attributes more than 500 new jobs and 400 temporary construction jobs created to the deal.

Navistar officials, Gov. Patrick Quinn, Attorney General Lisa Madigan and a host of local dignitaries announced Wednesday that a deal had been reached to move the company's headquarters to the former Alcatel-Lucent site in Lisle. Opponents of the Navistar's initial plan were happy as well with the company's promise to move the engine-testing portion to another Navistar site, possibly in Melrose Park.

Predictions call for a total of 3,000 jobs to be preserved or created with the move to Lisle, but short-term projections estimate 2,200 retained and 400 new jobs.

According to IFA documents, the funds raised by the Recovery Zone bonds will be used to "purchase, renovate, equip, and construct building additions to nine existing buildings" at the Alcatel-Lucent site, and for smaller projects in Joliet.

The bond deal is not an expenditure of city funds, but instead gives the company the opportunity to borrow the \$145 million sum at a lower interest rate than is available through traditional loans.

The Naperville City Council signed off on its part of the deal, an allocation of \$11.9 million, at its meeting Tuesday night.

So far Meister could confirm only that Naperville and Rockford had offered their allocations of Recovery Zone Facility Bonds to the Illinois Finance Authority for Navistar's use. But, he added, "As the deal goes forward, we're going to have a lot more (municipalities involved). We're going to have a Recovery Zone cap that adds up to \$145 million."

Recovery Zone Facility Bonds are a type of private activity bond created by the Recovery Act that allow local governments to pass along tax-exempt financing to private borrowers to expand their businesses and accommodate job growth. Just more than \$1 billion has been allocated to cities and counties in Illinois.

Following the board's approval, the next step would be bringing the deal to the banks and lawyers involved, a process Meister likened to the closing on a home purchase.

"This will be the resolution to move the ball forward," Meister said.

The board of directors of the Illinois Finance Authority will meet 11:30 a.m. Tuesday in the Prudential Plaza Conference Center, 130 E. Randolph St., Chicago.