

Chiquita relocating headquarters to Charlotte

By Ely Portillo

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Chiquita Brands International, an iconic company whose name is almost synonymous with 'bananas,' said Tuesday that it will move its global headquarters to Charlotte next year, and bringing some 400 jobs.

The company was lured by \$21.1 million in government incentives and the promise of easier international travel from Charlotte Douglas International Airport, which has grown as the Ohio airport near Chiquita's current headquarters has shrunk.

Chiquita is in negotiations to lease five or six floors in the NASCAR Plaza office tower adjoining the racing Hall of Fame.

"This is a diversification, really an unprecedented diversification, in jobs, investment and development in our economic center," said Charlotte Center City Partners president Michael Smith.

Chiquita CEO Fernando Aguirre, N.C. Gov. Beverly Perdue and other state and local politicians announced the relocation Tuesday at the Charlotte Chamber, where the news was greeted with a standing ovation from local business leaders and government officials.

The company is set to bring an estimated 417 jobs to the city, including accountants, human resources workers, IT specialists and finance specialists. About 300 of those will be jobs that were formerly at the company's Cincinnati headquarters.

Many of the other 100 jobs will be consolidated from Salinas, Calif., the headquarters of the former Fresh Express, which was bought by Chiquita in 2005. Some customer-facing jobs will remain in Cincinnati, like people who deal with supermarket chain Kroger.

Aguirre said he expects about half of the positions to be relocations and about half to be hired locally. The jobs will pay an average salary of over \$106,000, state

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Chiquita is the successor company to the old United Fruit corporation, a firm whose influence over Latin American countries helped coin the term "banana republic." In 2002, the company went through Chapter 11 bankruptcy. Since emerging it has acquired a salad distribution company to diversify its business.

Though Chiquita sells salads, juices and other produce, bananas still account for the lion's share of the company's revenues: \$1.5 billion out of \$2.4 billion in sales through the company's first three quarters this year.

Earlier this month, Chiquita posted a \$29 million loss for the third quarter as expenses rose and revenue fell slightly. But the volume of bananas sold rose 4.9 percent so far this year in North America, even as Chiquita raised prices 7.4 percent. Sales volumes are down slightly in Europe and have fallen a sharp 26 percent in the Mediterranean and Middle East.

Despite its iconic brand status, the company isn't a stranger to controversy. The company agreed in 2007 to pay a \$25 million fine to the U.S. Justice Department, for paying paramilitary groups in Colombia \$1.7 million between 1997 and 2004.

Payments to the groups were similar to extortion, Chiquita has said, and company officials paid to protect workers in the banana fields. But the groups in question committed atrocities against Colombians, and the U.S. government labeled at least one group a terrorist organization.

officials said, and Aguirre expects the move to be completed by late 2012.

The incentives package includes an estimated \$16.1 million from the state in income tax withholding breaks over the next 11 years and \$2.5 million from the state's One North Carolina Fund, which is given to encourage business expansion the governor says is vital. Mecklenburg and the city of Charlotte have to match the \$2.5 million state grant, a condition of the program.

The company's investments in its Charlotte facilities will total about \$14 million, Aguirre said. In addition to the headquarters, the company will also move its research and development to Mecklenburg County, and might open a second location to house those facilities.

At the NASCAR Plaza, which has struggled to lease office space and faced foreclosure proceedings last year, Chiquita branding will feature prominently on and in the building, Aguirre said.

Long, public campaign

The Duke Energy tower was lighted specially Tuesday evening to tie in with the announcement. Digital billboards around the city also went up to spread the news, the Chamber said.

Charlotte and Cincinnati have waged a long and unusually public contest for the company's headquarters. Charlotte had been trying to lure Chiquita, the banana company, from its current location in Cincinnati for several months.

Supporters of both cities' headquarter attempts mounted campaigns on Twitter to lure Aguirre, who frequently posts messages on the social network.

In addition to the grassroots campaign, Aguirre met with elected officials, including Gov. Perdue, Charlotte mayor Anthony Foxx and Mecklenburg county commission chairwoman Jennifer Roberts. At the end of his first meeting with Perdue, Aguirre said she told him: "Fernando, I'm going to make this happen."

He also met with airport director Jerry Orr, and attended a recent Panthers game. Aguirre didn't recall which team the Panthers played, but said they won.

Boca Raton, Fla., dropped out of the competition for Chiquita's headquarters after the company asked for at least \$15 million in incentives, according to reports.

In the end, Ohio didn't match North Carolina's incentives offer, coming up with a final package of between \$6 and \$7 million. A government spokesman said a larger incentives package would have been money poorly spent.

"The company has issues beyond what incentives can address," said Rob Nichols, a spokesman for Ohio Gov. John Kasich. "We're not going to be irresponsible and give away the store to try and keep a company

The company employs about 21,000 people across more than 70 countries, most of them in Central America, where its bananas are grown. It's sales are divided fairly evenly between North America and Europe.

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that fundamentally doesn't want to be here or which has already made up its mind to leave"

A tale of two airports

Chiquita has been rumbling about leaving Cincinnati for some time. The city's local airport has lost flights as travel has shifted away from Midwestern hubs, and there are far fewer routes to and from Cincinnati than there once were.

Charlotte's airport has correspondingly grown, adding more daily local and international routes as US Airways' presence in the city increased. Charlotte Douglas International Airport is the carrier's busiest hub, with about 700 daily flights, 90 percent operated by US Airways.

The airport has direct flights to Frankfurt, which Chiquita has said would be "critical", since about half of its business is in Europe. There is also a direct flight to San Jose in Costa Rica, where Chiquita has a regional headquarters.

Aguirre said the "thriving international airport" was key to Chiquita's decision.

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