

Wilson: Connected to Past and Future

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Few small cities have attempted—and still fewer have succeeded—in straddling both agricultural and corporate branding. Over the course of the 20th century, and with particular agility in the last two decades, Wilson has managed to attract and retain financial, pharmaceutical and technology-based industries while remaining in the forefront of regional tobacco marketing. While its agricultural connections have



“Interior of a Loose Leaf Tobacco Warehouse, Wilson, N.C., The Largest Bright Leaf Market in the World.” *Courtesy Durwood Barbour Collection of North Carolina Postcards (P077), North Carolina Collection Photographic Archives, Wilson Library, UNC-Chapel Hill.*

perhaps undergone the most drastic changes as a result of a globalized and politically-transformed market, the inroads Wilson has made in strategically pursuing other sectors have been no less remarkable or significant for the city's economic prospects.

Wilson has long been known for its role in North Carolina's agricultural economy. The city played a major role in early tobacco production and sales, with its first market sale of tobacco occurring on September 2, 1890. Twenty years later, tobacco was the third largest crop in the county, and by 1919, the Wilson market earned the title of the world's largest flue-cured market. For half a century, Danville, Virginia and Greenville, North Carolina provided stiff competition for this market share. However, with the adoption of the 1973 Designation Plan, whereby tobacco producers chose the warehouse in which they wished to sell their allotted poundage, Wilson shot ahead of its competitors, in some years recording sales as much as twice that of second or third place finishers. As late as the 1990s, Wilson maintained as many as 12 tobacco auction warehouses.

But drastic changes in the tobacco selling system have altered Wilson's economy in recent years. More than 80% of the tobacco yield is now sold via direct purchasing contracts, bypassing the warehouses and auctioning process entirely. Tobacco processing and distribution still remain an important part of Wilson's overall employment picture, yet the impacts are distributed differently. Traditionally, tobacco markets provided an economic boost similar to the furniture markets in High Point, which were an occasion for socializing among visiting buyers and sellers who contributed to the local restaurant and tourism economies. As tobacco companies moved to purchase crops directly from farmers, tobacco markets lost their function as social events. The tobacco auctions and warehouses of yesterday have given way to a modern economy that is more global in its reach and distinctly less local in its indirect impacts.

In fact, tobacco farming continues to grow due to exports to China, Japan, India, Russia, Germany and other European countries. (North Carolina leads the country in tobacco exports, accounting for 38% of the US total with \$292 million in foreign sales in 2005.) After the federal quota system ended in 2004, the county's tobacco acreage grew from 5,635 to 9,130 by 2008. While Wilson no longer has the spectacular tobacco warehouse markets that often drew visits from North Carolina's political establishment, tobacco is still an important part of the city and county's economy.

Meanwhile, Wilson's roots in banking predate even its first tobacco sale. Present-day BB&T got its start in Wilson in 1872, when Alpheus Branch and Thomas Jefferson Hadley launched a bank called Branch and Hadley. By loaning money and paying interest on deposits, the bank helped local businesses and cotton farmers stay profitable in the difficult years following



Original Branch Banking and Trust Office. Now the home of the Arts Council of Wilson. *Courtesy of the Arts Council of Wilson.*

the Civil War. The bank continued to grow as "Branch and Company, Bankers" in the 1900s due to its services to the growing community of tobacco farmers. After several name changes it became Branch Banking and Trust Company (BB&T) in 1913. BB&T continued to expand services by offering mortgages and insurance in the 1920s, and in 1971, boasting assets of \$250 million (with agriculture accounting for one-quarter), BB&T constructed its new headquarters in Wilson. Ten years later, BB&T began an aggressive expansion campaign through acquisitions, starting with Independence National Bank in Gastonia, NC. Their fast-paced merger and acquisition activity continued until 2003, with the acquisition of First Virginia Banks Inc. At the end of 2005, BB&T had assets of \$109 billion, 1,400 branches, and 28,000 employees, and today it ranks as the 14th largest financial holding company in the country.

But as with the tobacco industry, changes in the banking landscape have had costs as well as benefits. After becoming the largest bank in North Carolina in 1994, BB&T completed a "merger of equals" with another state bank, Southern National, in 1995. In the



Smith Warehouse. In 2007 the building was demolished and its materials packaged for resale to other historic renovation projects. *Courtesy of Rodger Lentz.*

course of this move, the bank relocated its headquarters to a site two hours west in Winston-Salem. Wilson lost not only the prestige of hosting the growing bank, but also 700 jobs associated with the main office. However, the city was able to salvage both its office space and its decades of experience: the twin towers that BB&T had occupied before the move west were kept by the bank and filled with back-office support staff, which now number 2,000. Even the original BB&T headquarters building built in 1903 has been reused as the home of the Wilson Arts Council.

This shifting of corporate headquarters was not the only force influencing Wilson's built environment. The central business district, like many across the state and the country, experienced a noticeable decline in appearance and commerce over the years. Suburbanization and the development of shopping centers and malls on the perimeter left marks on the downtown in the form of high vacancy rates and buildings falling into disrepair. The construction of I-95 moved the main north-south artery from a mile south of the city center to a full eight miles to the west. The changing shape of the tobacco markets has had a large impact as well, leaving empty warehouses in central locations, some of which present opportunities

for reuse. In 2007, Wilson lost the Smith Warehouse, built between 1928 and 1929 to a salvage company that planned to resell the bricks and timber. However, in 2008, Wilson Downtown Properties purchased another brick warehouse, the Hi-Dollar Warehouse, for renovation and reuse. Had it not been for the group's purchase, this warehouse would have suffered the same fate as the Smith Warehouse.

The challenge for city leaders today is to develop new ways of attracting residents downtown, away from the ease of the highway and the commercial lures of the periphery. The Wilson Downtown Development Corporation (WDDC) employs a strategy that provides incentives to new businesses that locate downtown, and the City of Wilson has taken aggressive steps to improve the streetscape and essential infrastructure. Ironically, WDDC and the City attribute an influx of new businesses to the current economy. Businesses are finding that operating downtown not only provides them with a unique, historic atmosphere, but also lower renting or purchasing costs. In the past year, three new restaurants and three new retail shops have opened that are drawing visitors back to Wilson's center. The old Belk Department store, long a premier architectural

site for the city, has been rehabbed into office space for a regional council of government, the WDDC, and the Upper Coastal Plain Business Development—an incubator offering 28,000 square feet of space to start-ups and small businesses in a five-county region.

Finally, a number of corporations have established industrial sites in and around Wilson in the past few decades. The trend started in the mid 1970s with a plant constructed by the Bridgestone-Firestone tire company. In more recent years, the Wilson Economic Development Council—together with the City of Wilson, Wilson County and the business community—have worked diligently to pursue manufacturing industries with a higher than average wage and a likelihood of remaining in the USA. They developed a strategic marketing plan that is updated every five years and pursues a variety of industries. Significant investments were made at both the City and County levels in land and infrastructure. These include an expansion of water and sewer treatment capacity, the construction of Buckhorn Reservoir, transportation improvements that have cut travel time to Raleigh by almost half (now 30 to 35 minutes to the Capital), and the development of a water reuse plant to serve manufacturers.

In its most recent and forward-thinking infrastructure investment, the City has installed fiber-optic connectivity across the entire city. The project began when the City

Council needed to improve the reliability of its networks between public facilities. A number of businesses and residents requested that they be allowed to connect to this upgraded service, and soon the Council was exploring deals with private providers to bring high-speed fiber lines to all customers in the city limits. Since the providers eventually decided that it would not be a profitable venture in a market as small as Wilson, the Council unanimously decided to take on the project itself and to finance the operation through subsequent sale of its own cable, phone and internet services. Wilson now boasts a network that is attractive to businesses, schools and executives considering relocation to the area.

With the physical improvements begun in the 1990s and augmented in the 2000s, Wilson has been able to provide a home for pharmaceutical plants such as Merck, Purdue and Sandoz. This economic activity in turn attracted other health industry manufacturers, including LiveDo and Becton Dickinson (better known as BD), whose plant is presently under construction. By investing in its infrastructure, the City has diversified its economy and paved a road for industries that its tobacco-farming forebears could only have imagined.

HB 1252 Level Playing Field/Cities/Service Providers

In April 2009 a bill was introduced into the North Carolina Legislature that would require local governments such as Wilson seeking to provide Internet and other services to adjust their pricing so that it costs as much as a private company would have to charge. Supporters of the bill hold that local governments have an unfair advantage over traditional providers since they have access to cheaper municipal financing in the installation of these services. But opponents don't have to look any farther than Wilson for an example of a city that would have been prevented under the terms of the bill from providing any telecomm services at all, even though the private companies had ruled out services to the community on the grounds of profitability. Local governments also fear that the bill would prevent them from obtaining the \$4.7 billion in federal stimulus money that is earmarked for infrastructure to improve broadband Internet access.

In response, the Raleigh City Council, the Chapel Hill Town Council and the NC League of Municipalities have all expressed their formal opposition. In the legislature, the bill passed its first committee, Science and Technology, without a recommendation. On May 6 it was sent by both House and Senate committees into study committees, a legitimate choice for a controversial bill but one that can also be read as a delaying tactic to keep it out of action until at least 2010. Unsurprisingly, the bill has generated considerable web debates throughout North Carolina as well as coverage on national blogspots like Electronista, Vox and Stop the Cap!