



## *Innovation and Resilience are Winston-Salem's Heritage*

by A. Paul Norby, FAICP

Winston-Salem is a proud city with a rich heritage that has taken on and met the challenges of its history with an amazing amount of resilience. This community throughout its existence has responded to its challenges in innovative ways that position it positively for the future.

### **Early History**

The Moravians migrated to this area via the Great Wagon Road from Pennsylvania after Bishop Spangenberg had acquired in 1752 a 100,000 acre tract of land in a part of colonial North Carolina. Spangenberg named the tract, which comprises much of present day Forsyth County, Der Wachau, or "Wachovia", after a Saxon estate in the family of Moravian Church leader Count Ludwig von Zinzendorf.

The new settlers of the Wachovia Tract first established Bethabara in 1753, followed by a new village named Bethania in 1759. Following that, the Moravians turned to the task of carefully planning



Map of Wachovia in North Carolina, 1766, by Philip Christian Gottlieb Reuter (Courtesy of Moravian Archives, Herrnhut, Germany)



Salem  
(Courtesy of Old Salem Museums & Gardens)

and developing their central community for Wachovia, to be named Salem. The peace-loving Moravians saw Salem as a place where they could be free to worship in their tradition, welcome visitors, work at their trades, enjoy music, and have real community. This community, established in 1766, was determined to be self-sufficient, and combined farming with trades, a mill, and other lucrative business ventures, establishing a tradition of entrepreneurship that continues to this day. The church remained a central aspect of the community and its governance – as a "theocracy," it even owned and leased out the land. Salem grew steadily, and the need to provide a courthouse became apparent after Forsyth County was created from a portion of Stokes County in 1849. The Moravians in Salem wanted the convenience of a courthouse, but did not want it within Salem. They provided the site for the new Forsyth County Courthouse one mile north of Salem Square and the county seat that grew around it was eventually named Winston by the legislature, after military hero Maj. Joseph Winston.

The worldlier Winston attracted a new breed of entrepreneur, known for being shrewd, ambitious, and hard working. Winston grew from being half the population of Salem in 1870 to being more than three times the size of Salem in 1910. Starting small, the Reynolds and Hanes families and others steadily grew their tobacco and textile companies and using new rail connections, attracted business, workers and residents to the community.



First Forsyth County Courthouse, Built 1850  
(Courtesy of Forsyth County Public Library Photograph Collection)

Roads and streets were improved, and Thomas Edison helped inaugurate one of America's first streetcar lines in 1890, sparking more growth. Simon G. Atkins established the Slater Industrial Academy, which later became Winston-Salem Teachers College – now Winston-Salem State University. Eventually, the interests of Salem and Winston merged, and spurred by the U.S. Post Office combining the postal addresses for both towns as the hyphenated name Winston-Salem, the two towns officially merged in 1913.

### **Golden Age**

The 1910's and 1920's saw unprecedented growth in Winston-Salem, as evidenced by the city's rise as the most populous city in the state by 1920. The DNA of the combined cities, described by one observer as "Salem's conscience and Winston's purse," led to the emergence of Winston-Salem as the second greatest industrial



**Dr. Simon Green Atkins (front, left) & 1915 Student Body of Slater Industrial Academy**

*(Courtesy of Forsyth County Public Library Photograph Collection)*

city in the South, behind only Baltimore. R.J. Reynolds Tobacco Co. and the Hanes Knitting and Hosiery Mills became national leaders in their respective industries. They were joined by many other industries manufacturing items as diverse as batteries, wagons, humidifiers, tires, furniture, bricks, and steel fabrication. Civic and industry leaders took full advantage of those earlier-built railroad linkages from Winston-Salem to other markets. Frances Henry Fries earlier opened Wachovia Loan and Trust and went on in 1911 to head Wachovia Bank and Trust, which eventually became known as the largest bank in the South. The first municipal airport in the South was opened east of the city in 1919. Salem Lake was built, greatly expanding the city water supply. In 1923, North Carolina Baptist Hospital opened.



**R.J. Reynolds Tobacco Company, Factory 12, Chestnut Street, ca. 1920s**

*(Courtesy of Forsyth County Public Library Photograph Collection)*

Winston-Salem grew upward, being among the first to utilize high-rise construction for the 7-story Wachovia Bank building in 1911, followed by several successively taller buildings and culminating that era in 1929 with the 22-story Reynolds Building. The Reynolds Building, the tallest in the state until the 1950's, won the national Best Building of the Year

Award when it was built, and was used as a model by its New York architects for the subsequent construction of the Empire State Building.

The city also grew outward, with the construction by R.J. and Katharine Reynolds of their new country estate, Reynolda, and nearby Graylyn, constructed by Bowman Gray. Neighborhoods such as Ardmore, West Highlands and Buena Vista were begun beyond the already established West End.



**The Phoenix Hotel on Fourth & Liberty Streets**

*(Courtesy of Forsyth County Public Library Photograph Collection)*

Forsyth County became known as the wealthiest county in the state. Concern over the huge growth rate and haphazard development led the Chamber of Commerce in the 1920's to encourage and provide funding for a new city plan.

### **Depression, War and Rebuilding**

The Depression years and World War II ushered in an era of austerity, but Winston-Salem held its own during this time. The city's industrial base was producing goods that the population needed during the depression. During the war years, a great demand existed in the military for clothing and cigarettes and again, the city was well-positioned to supply them. At the end of the 1940's, Winston-Salem was the second largest city in the state behind Charlotte, and was emerging from the Depression and war years shopworn, but ready to rebuild.

Huge changes occurred over the next two decades. The first joint city-county planning operation in the state was authorized by the legislature in 1947 and went right to work. A new comprehensive plan, and subdivision and zoning ordinances were written. Old Salem became the state's first locally zoned historic district. Urban renewal plans were put together to address slum conditions and the city was the first in the state to receive federal housing funds. Bowman Gray School of Medi-

cine, which was created earlier through a transplant of the Wake Forest College School of Medicine from Wake Forest, NC, led the way for an offer to the College by city leaders to relocate the rest of their campus to Winston-Salem. Groundbreaking for the relocated Wake Forest occurred in 1951 with President Harry Truman turning the first shovel. An ambitious plan for downtown renewal was developed in the 1950's and led to redevelopment in the 60's and 70's of such additions as a downtown convention center and hotel, Hall of Justice, and a new 30-story Wachovia Building –at the time the tallest in the Southeast. Plans were implemented for both east-west and north-south freeways converging adjacent to downtown. Piedmont Airlines was established by Thomas Davis, and grew to a strong airline with routes which eventually stretched across the country.



**Some of Piedmont Airlines' First Pilots Pose in Front of One of the Airline's DC-3s**

*(Courtesy of Forsyth County Public Library Photograph Collection)*

Winston-Salem became a giant in the trucking industry, with McLean, Hennis and Pilot Motor carriers headquartered in the city. Outside industries like Western Electric, later known as AT&T, came to town and opened two large plants employing thousands of people including new transplanted residents. The Arts Council became the first umbrella group in the country coordinating arts activities and funding, and in the mid-1960's, the North Carolina School of the Arts was established.

The political structure was also slowly beginning to change from what could be described as the company town "oligarchy" that came with the swift industrial rise of Winston. The temporary unionization of factory workers at R.J. Reynolds helped African Americans become more politically organized resulting in the election of Rev. Kenneth Williams, reportedly the first African-American City Alderman in modern southern history. In 1949,

Marshall Kurfrees was elected mayor and served for the next 12 years, the first mayor to not have been hand-picked by the power elite of business.

### **Setbacks of the 1980's and Response**

In contrast with the heady rebuilding days of the 1950's into the 1970's, a series of setbacks and losses occurred in the 1980's. The 1980 Census revealed that for the first time, the city lost population as the community expanded, but the municipal boundaries did not. Then came a series of economic shocks that continued throughout the decade. Deregulation of the trucking industry in the early 80's led to a series of changes that led to the demise of the three big trucking companies during the decade, affecting thousands. Piedmont Airlines was a victim of its own success and grew to the point where it was bought by expanding USAir in 1987, and Winston-Salem lost the Piedmont name and its headquarters. In 1988, the forced breakup of AT&T resulted in the closure of its plants in Winston-Salem, again affecting thousands. Reynolds Industries, which had been diversifying since the health concerns about smoking caused the tobacco company to rethink its strategy, went through a process which turned Winston-Salem upside down – first seeing itself being eclipsed as the largest cigarette maker by Philip Morris; then after a merger with Nabisco Brands, Inc. seeing its new leadership move its headquarters in 1987 to Atlanta; then in 1989 going private and experiencing a leveraged buy-out.

While these were seismic changes that rocked Winston-Salem to its core, the city fought back in the 1980s and 90's. The Forsyth Community Development Council and Winston-Salem Business, Inc. formed in order to aggressively recruit new business, even starting a new business park on the southeast side of the city. Lee Apparel, Siecor, Southern National Bank and Pepsi were recruited to the city to set up manufacturing, headquarters, or regional operations. Sara Lee Corp, which had acquired Hanes Hosiery and Hanes Knitting, decided to expand Winston-Salem operations and place those company headquarters in the city. Downtown saw a convention center expansion, a second new hotel, an office building that became the headquarters of Southern National (now BB&T headquarters), and an emerging arts and shopping district. Wachovia Bank, which

had just acquired First Atlanta, decided to keep its headquarters in Winston-Salem and build a taller headquarters building than its 1960's tower. Perhaps most interesting was a new initiative created through a collaboration begun in the 1990's by the business community, R.J. Reynolds Tobacco Company, and Wake Forest School of Medicine to create a downtown research park specializing in biomedical science. Amazingly, Winston-Salem ended the decade of the 1980's with more jobs and more employers than when the decade began. By the end of the 1990's, the city had a new set of initiatives and momentum on its side.

### **The Challenges Post-2000**

The cycle of challenge, resilience and innovative response repeated itself again shortly after 2000. Wachovia Bank, one of the more respected banks in the country, was acquired in 2001 by First Union Bank in what was billed as a “merger of equals.” The merged bank assumed the name Wachovia, but moved its headquarters to Charlotte, another seismic blow to Winston-Salem with its historical name-sake essentially transplanted to another city (Ironically, Charlotte since then experienced that feeling with the demise of the merged Wachovia during the Great Recession and subsequent acquisition by Wells Fargo headquartered in San Francisco.) R.J. Reynolds Tobacco Co, a free-standing publicly traded company, continued to work through changing economic conditions, eventually vacating the historic Reynolds Building. Foreign competition forced the decline of the furniture industry and resulted in the closure of Winston-Salem's remaining furniture manufacturing. Sara Lee was looking to spin-off Hanes Brands, and some questioned the fate of its operations in Winston-Salem.

Again, civic and business leadership in the community responded. Business leaders in a new organization named the Winston-Salem Alliance established a Millennium Fund and raised \$45 million in the early part of the decade to use as seed money for new strategically designed economic initiatives. As for Wells Fargo, Winston-Salem business and civic leaders successfully made the business case to retain a substantial Wells Fargo presence with numerous operations still in the city. BB&T has continued its acquisitions,

growth and expansion, with its footprint now in 15 states and size ranking within the top 16 banks in the nation. The downtown research park has undergone tremendous growth in recent times with all the older industrial buildings donated by RJ Reynolds Tobacco now rehabilitated and converted to a variety of research, bio-medical, educational, business, business incubator and residential uses. New road and utility infrastructure has allowed the park to now set its sights on new development on vacant land in the area. The park is now named Wake Forest Innovation Quarter and its population count has tripled in the last three years to over 5,000 workers and students.

R.J.Reynolds Tobacco sold the historic Reynolds Building to a developer who renovated and re-purposed the building as a new Kimpton Hotel, high-end apartments, and a restaurant. Other hotels are under construction or planned, and downtown residential development has mushroomed, with over 1,000 new residential units under construction or announced to add to the 3,000 units of existing downtown housing. New downtown retail such as Mast General Store, and additional restaurants and new breweries and distilleries have continued the dramatic remake of downtown Winston-Salem over the last 15 years to a thriving area of restaurants, residential, arts and entertainment, to go along with the major employment concentration downtown has always had. Total investment in downtown by the private and public sectors since 2000 have surpassed \$1.5 billion.

Winston-Salem and Forsyth County combined with the state to successfully recruit Dell, Inc. to build its most advanced and largest computer manufacturing plant in



**Sidewalk dining in downtown Winston-Salem**  
(Courtesy of J. Sinclair Photography/ Visit Winston-Salem)

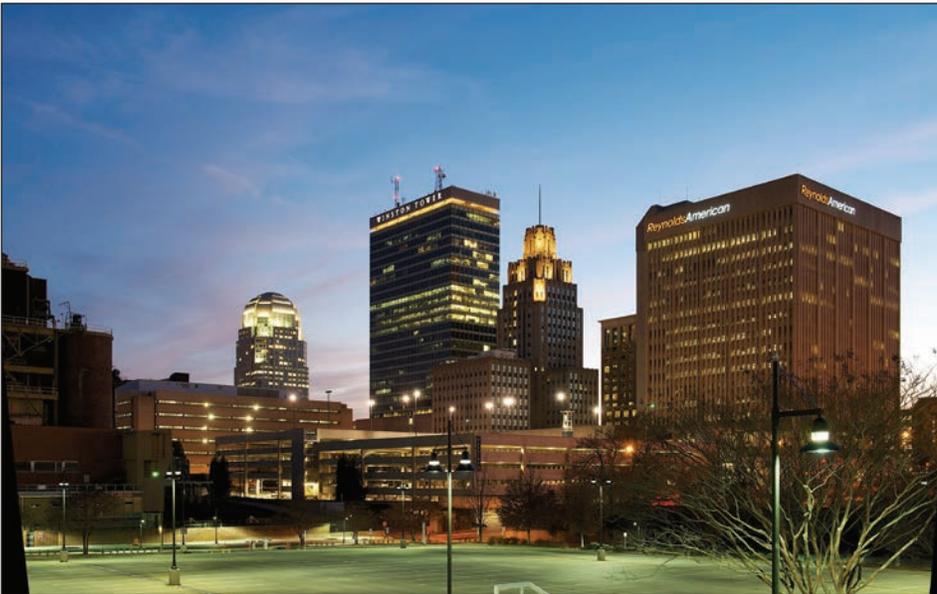


Photo Courtesy of Visit Winston-Salem

Winston-Salem on land that had been targeted for business park development in a recent area plan. Although Dell after a few years closed the plant, it was quickly acquired and reused by Herbalife for its East Coast manufacturing and distribution center. Next door, Caterpillar built a large plant to manufacture axles for its large scale mining trucks. The City successfully recruited Lowe's Hardware to build its new data center in Winston-Salem, and Hanesbrands, Inc. continued their presence and expansion. The health care sector has continued to expand with major construction at both North Carolina Baptist and Forsyth Medical Center. The colleges and universities that call the city home have also expanded and updated their master plans. RJ Reynolds Tobacco has made another gift of property and buildings in the Whitaker Park area between Wake Forest University and Smith-Reynolds Airport for a new economic development authority to transform it into thousands of new economy jobs and housing. The City and County adopted in 2012 an updated comprehensive plan that embraces smart growth principles and encourages more compact, mixed-use development patterns and a greater emphasis on multi-modal transportation. This plan has received national recognition for the way it charts out how the community will prepare for the growth and changes that will occur before 2030.

### The Future

What does all this mean? Winston-Salem and Forsyth County are not sitting back

and relying on its past achievements, but is preparing for the future. While no one can foresee all that may come in the future, Winston-Salem demonstrates that with the right combination of discipline, entrepreneurship, innovation, and a "can-do" determination, a community can positively face its challenges and create new opportunities. Archie Davis, a beloved Winston-Salem native who became Senior Vice President and Chairman of Wachovia Bank and Trust and during his lifetime was instrumental in so many positive initiatives locally and statewide (Research Triangle Park, for example), perhaps said it best some time ago; "We have an enviable past and an enviable character. I'm

far from pessimistic, particularly if people handle the future as they have the past. We have great momentum."

*[Reference material and information for this article came from the following sources: Winston-Salem: A History, by Frank V. Tursi, 1994; Forsyth: The History of a County on the March, by Adelaide Fries, Stuart Wright and Edwin Hendicks, 1976; Winston-Salem in History, a series of monographs published by Historic Winston; The Winston-Salem Alliance; Frank Elliott, Marketing and Communications Department, City of Winston-Salem.]*



Paul Norby is Director of the Planning and Development Services Department. An original version of this article appeared in the summer 2009 edition of Carolina Planning Magazine. The article was updated in 2017.

Want more information? Contact the City-County Planning Board Office, Bryce A. Stuart Municipal Building, 100 East First Street, Winston-Salem, NC 27101; Telephone: 336-727-8000; Web site: [www.cityofws.org/planning](http://www.cityofws.org/planning)

The Planning Board is funded jointly by the Winston-Salem City Council and the Forsyth County Board of Commissioners.

#### City-County Planning Board

Arnold G. King, Chairman; Allan Younger, Vice-Chair;  
George M. Bryan, Jr., Melynda Dunigan, Jason T. Grubbs,  
Tommy Hicks, Clarence R. Lambe Jr., Chris Leak, Brenda J. Smith  
A. Paul Norby, FAICP, Director of Planning

#### City of Winston-Salem

Mayor: Allen Joines;  
City Council: Vivian H. Burke, Mayor Pro Tempore, Northeast Ward;  
Denise Adams, North Ward; Dan Besse, Southwest Ward;  
Robert C. Clark, West Ward; John Larson, South Ward;  
Jeff MacIntosh, Northwest Ward; Derwin Montgomery, East Ward;  
James Taylor, Jr., Southeast Ward;  
City Manager: Lee Garrity

#### Forsyth County Commissioners

David Plyler, Chairman; Don Martin, Vice Chair;  
Fleming El-Amin, Ted Kaplan, Richard Linville, Gloria D. Whisenhunt, Everette Witherspoon  
County Manager: J. Dudley Watts Jr.