



Winston-Salem: A Study in Growth, Resilience, and Adaptability

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 continually responded to its challenges in a way that positions 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.



Salem
(Courtesy of Old Salem Museums & Gardens)



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

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 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, to 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



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

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 attracted new workers and residents in droves. 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.



Dr. Simon Green Atkins (front, left) & 1915 Student Body of Slater Industrial Academy (Courtesy of Forsyth County Public Library Photograph Collection)

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 to the largest population in the state in 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 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 earlier-built railroad linkages from Winston-Salem to other markets. Frances Henry Fries earlier opened Wachovia Loan and Trust and went on



R.J. Reynolds Tobacco Company, Factory 12, Chestnut Street, ca. 1920s (Courtesy of Forsyth County Public Library Photograph Collection)

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.

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. Forsyth



The Phoenix Hotel on Fourth & Liberty Streets (Courtesy of Forsyth County Public Library Photograph Collection)

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 fund 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 had already been authorized 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 Medicine, 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 across the country. 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 and 60's, not too much happened in the following years until a series of setbacks and losses 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. R.J. Reynolds



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)

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. 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. Sara Lee Corp, which had acquired Hanes Hosiery and Hanes Knitting, decided to expand Winston-Salem operations and place four 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 (and now BB&T), and an emerging arts and shopping district. 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 response repeated itself again shortly after 2000. Wachovia Bank, one of the more respected banks in the country, was acquired by First Union in 2001 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 namesake essentially transplanted to another city. Winston-Salem did, however, retain the Carolinas headquarters, wealth management headquarters and the data center. (Ironically, Charlotte is now experiencing that feeling with the demise of the merged Wachovia and subsequent acquisition by Wells Fargo.) R.J. Reynolds Tobacco Co, now a free-standing publicly traded company, suffered continued decline in sales and production, forcing continued downsizing. Foreign competition was forcing 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 have 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. The Piedmont Triad Research Park downtown developed a plan to expand to 220 acres with an urban mixed-use research park that will ultimately employ 20,000 and make use of the old unused R.J. Reynolds manufacturing



Skyline of Winston-Salem

facilities on the eastern edge of downtown. New biomedical companies such as Targacept are already experiencing success and expansion in the park. Wake Forest Health Sciences scored some major breakthroughs in human organ regeneration and received national mainstream news exposure through the efforts of a team led by Dr. Anthony Atala. Tengion is a new company that has resulted from that breakthrough, and current Mayor Allen Joines loves to remind audiences that “from the 1980’s to the 2000’s we have shifted our economic development emphasis from jeans – Lee Jeans – to genes.”

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 Winston-Salem on land that had been targeted for business park development in a recent area plan. R.J. Reynolds acquired Brown and Williamson Tobacco Company and established the merged Reynolds-American headquarters in Winston-Salem, again increasing jobs. The City successfully recruited Lowes hardware to build its new data center in Winston-Salem, and Hanesbrands, Inc. continued their presence and expansion. From its Winston-Salem headquarters, BB&T has become one of the most sound banking institutions in the nation and has expanded its footprint to 11 states. 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.

The City and County adopted in 2001 a new comprehensive plan that embraces smart growth principles and encourages more compact, mixed-use development patterns and a greater emphasis on multi-modal transportation. A similar downtown plan has led to a downtown restaurant row, over 1,500 new residential units and much more street life. The City has even been contemplating reintroducing modern streetcars as a central city people-mover and growth-shaper, which would also tie into a potential commuter rail system for the Triad region.

What does all this mean? 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; LeAnn Pegram, Historic Preservation Project Planner, City-County Planning Board.

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Paul Norby is Director of the City-County Planning Board. The above article originally appeared in the summer 2009 edition of Carolina Planning magazine. Re-used with permission.

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