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Detroit's segregation blamed for lack of chain retailers

But some eateries, coffee houses are slowly beginning to return

By Oralandar Brand-Williams / The Detroit News

DETROIT--For Detroiters, eating at a national chain restaurant frequently means a long road trip to the suburbs.

Eateries are just a part of what's missing -- chain bookstores, coffee shops and department stores all are conspicuously absent in a city that is 82 percent black. It's an inconvenience to residents and a missing element in the city's tax base.

Some Detroiters and business experts suspect the city's high degree of segregation is at least partly to blame.

"It would be difficult to say it doesn't have to do with race, citing Detroit's racial makeup," said University of Detroit Mercy marketing professor Michael Bernacchi. "It's a reasonable question to ask why these folks aren't here.

"The mega-retailers left a huge hole in the city's lifeline when they left. But you expect to see restaurants everywhere. No matter what



Donna Terek / The Detroit News

Ray Lassiter is a regular at the Starbucks on Jefferson at Grand Boulevard that opened last year. Starbucks has opened three coffee houses in Detroit in recent years.

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people do, they eat out."

And Detroiters still do visit those staples, but with a longer drive.

"They move to these areas where African-American drivers are profiled coming and going to these establishments," said the Rev. Horace Sheffield III, the Michigan regional president of the National Action Network. "Yet these places wouldn't exist if blacks didn't go out there in droves."

Sheffield, the pastor of New Galilee Baptist Church on Detroit's east side, believes race and class have played dominant roles in some business decisions to not consider locating their businesses in Detroit.

In an effort to change that, Sheffield began discussions late last year with Orlando-based Red Lobster to put a restaurant in the city.

Red Lobster officials say the chain hopes to build a restaurant in Detroit this year.

"We've got an offer on the table for a location in Detroit," Red Lobster spokesman Jim DeSimone said.

"Traditionally we have not been in the city."

Other chains, such as Kansas-based Applebee's International, don't sound eager to follow.

Officials at Applebee's, which has 29 eateries in Metro Detroit, say they have no immediate plans to build in Detroit.

"We need to find an area where people will be available, there is a lot of foot traffic ... an area where people will be available to have lunch or an area near a sporting area or multiplex area," said Applebee's spokeswoman Kathie Koch.

Although Detroit remains an urban employment center, has a new major league baseball stadium and an adjacent downtown National Football League stadium that will open this year, Koch said the hesitation isn't race.

"Of course, it's not," Koch said. "It's about finding the right area that has elements that are attractive to us."

Factors that restaurants consider are many, and public perception plays a role, said economist Karl Gregory, professor emeritus at Oakland University.

"A lot of the problem is perception," Gregory said. "Sometimes the people who make the decisions do not have personal experience about the places where they are attempting to locate. They rely on hearsay and headlines and the headlines hardly focus on what's right."

But like other observers, Gregory said the trend of staying away from the city is slowly changing.

"Prior to the last three to four years there were few large stores in the city of Detroit, but that has changed with Kmart and so on," Gregory said. "We now have drugstores, Kmart, food stores and industries that had long left Detroit coming back."

The popular Starbucks coffee chain is among the chains now doing business in Detroit.

In recent years, the Seattle-based company has opened three coffee houses in Detroit, with two locations downtown.

"At Starbucks, we have had a great experience and a great response from the people in the neighborhood of the downtown Detroit area,"

said Laurie Scott, Starbucks' Detroit district manager.

The president of the Detroit Regional Chamber of Commerce said he suspects city bureaucracy is a bigger impediment than segregation. But improvements couldn't hurt, Richard Blouse said.

"What has to happen as a whole is our region needs to integrate," Blouse said.

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