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**DOWNTOWN
DISTRICT**

DOWNTOWN HOUSTON: STRATEGIC RESEARCH SUMMARY





What was asked?

Under the direction of SUMA Partners (www.suma.com), in collaboration with the Downtown District marketing committee, The Houston Downtown Management District sought to develop a lifestyle profile for downtown Houston. Research strategy commenced in February 2007 with the following questions as guidelines:

- Identify components of downtown lifestyle.
- What is authentic?
- What is unique?
- What is missing?
- What is compelling?
- Determine what differentiates downtown from other areas. How do we position downtown?
- Develop a profile of the current and the potential downtown “participants”
- Develop a composite picture of a downtown community.
- Develop information that will support leasing and product development.

Methodology

Quantitative analysis began with an electronic survey to determine the key elements of a downtown lifestyle. The survey was distributed throughout Houston. The survey reached all demographics; however, the main focus of the research was on downtown residents,

downtown workers, and residents from adjacent urban neighborhoods. SUMA Partners conducted additional outreach to over sample to reflect the ethnic and cultural diversity of the Houston region.

The survey resulted in 1,044 participants responding to 197 data points. The data points were a collection of open ended responses and multiple choice questions designed to determine:

1. What is missing from downtown
2. Which unique features of downtown are currently most important and
3. Which are most attractive to the target audiences and what might become important and attractive in the future.

The survey found the likes, dislikes, wants, needs, attitudes, interests and activities of the target audience. Quantitative analysis was consistent through demographic and ethnic groups. Survey results were analyzed using cross tabulation and data sorting to depict key findings.

SUMA Partners incorporated preliminary findings from the electronic survey to facilitate three focus groups consisting of two groups of downtown workers and one group of downtown residents. This process resulted in an assessment of what it is that makes downtown unique, relative to other urban areas, as well as what could be offered, what should be offered and what is desired by current downtown workers and residents. The discussions were open and frank and led to numerous, yet consistent, qualitative findings. Additional stakeholder engagement further justified the findings from both quantitative and qualitative analysis.

The consolidation of data was a deliberate five step process.

The Next Era of Downtown Houston's Development Must Focus on Building Well-Connected, Complete Experiences for Workers and Residents.



URBAN WORK/ CENTRAL HUB

Critical mass
Interaction
Accommodate 24/7
Green space
International
Sophisticated
Transportation
Delivery/Carry out
Bring the feel of the
tunnel to the street
level

COMMUNITY

People watching
Hang out
Ownership
Neighborhoods
Critical mass
Safety
"European"
Green space
Gathering places
Interaction

Historical
Architectural
Dog walking
Everyday

FAMILY EXPERIENCE

Lighting
Safety
Festivals
Critical mass
Green space
Gathering places
Not: Schools yet
Not: Childcare yet

NIGHTLIFE/DINING

Live music
Critical mass
Ethnically diverse
Non-chain restaurants
Neighborhoods
Wine tasting
Accommodate 24/7
Energy
Unpretentious

Lighting
Safety

UTILITARIAN

Grocery store
Shopping
Drug stores
Gym
Haircut
Buy a wedding gift
Banks
ATMs

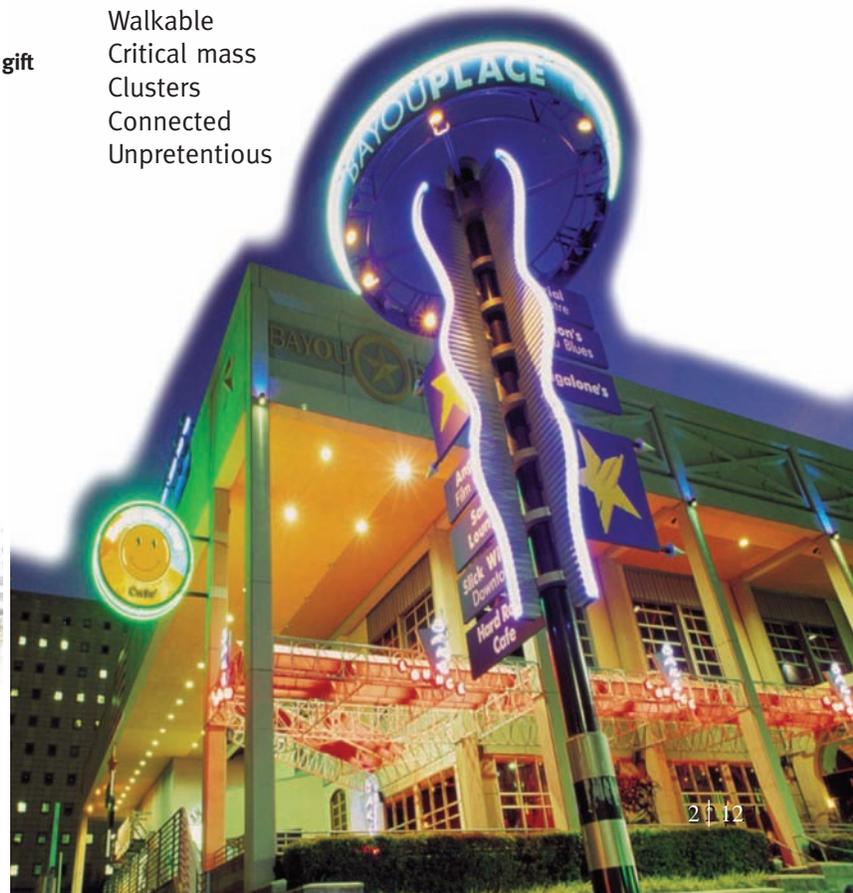
WORK/LIFE BALANCE

Attractions
Concerts
Festivals
Live music
Cultural
Neighborhoods
Lighting
Green space
Historical
Architectural

Art gallery
Ethnically diverse
Boutiques
Classes (cooking)
Bayou trail expansion
Recreation

The Downtown Houston Vibe:

Walkable
Critical mass
Clusters
Connected
Unpretentious

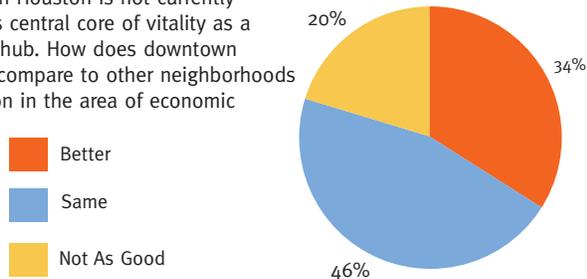


Create Unique, Distinct Downtown Houston Experiences. Start with a Habit. Direct Toward Discovery. Facilitate Easy Access and Information. Everyday Experiences. Not Tourist Experiences.



URBAN WORK/CENTRAL HUB

If the intent is for downtown Houston to be viewed as the central core of economic vitality, it has not yet reached its potential. Compared to other areas of Houston, the majority of respondents (66%) believe that Downtown Houston is not currently Houston's central core of vitality as a business hub. How does downtown Houston compare to other neighborhoods in Houston in the area of economic vitality?



Houstonians are looking for Downtown Houston to represent an embodiment of energy, vitality, and business. Downtown Houston needs to resemble a working, breathing city.

"Downtown, in any other big city, is a concentrated mass of people doing business. It has a 24/7, 'you can do anything here' attitude. Downtown Houston is missing that vitality."

COMMUNITY

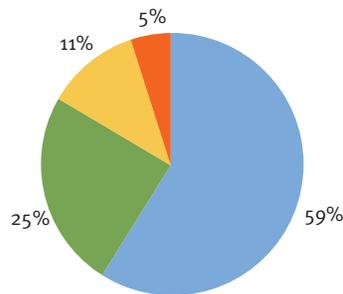
80% of focus group participants would like a "European" feel to downtown. 85% of downtown residents would like a place to "hang out" and meet their neighbors.

Utilize Downtown's Unique Neighborhoods with Visible Signage and Street Vitality to Offer Residents and Workers a "European" Feel.

"Why do you live or work downtown if you can't walk everywhere? Where are the quaint nooks and crannies to walk to? Where are the other people? They are in the tunnel."

NIGHTLIFE/DINING

- Laid-back, local hangout/ No frills, just good food and service
- Live music, loud and crowded/Good bar and social scene/Local hotspot
- Quiet/Romantic
- Family Friendly

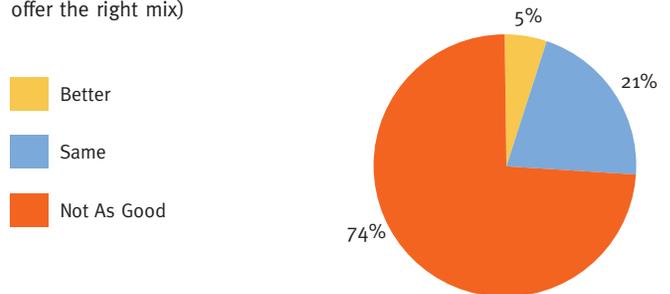


The majority of respondents describe their ideal dining experience in downtown Houston to be laid-back, local, good food and service.

"We need local, chef-driven restaurants downtown with ambiance. You are not just paying for the food. When you come downtown it should feel like Houston, we're laid-back. I want to sit outside and listen to music. This isn't Dallas."

UTILITARIAN

The majority of respondents (74%) feel downtown Houston does not offer an adequate mix of stores and shopping options. (Galleria/ Uptown and Montrose offer the right mix)



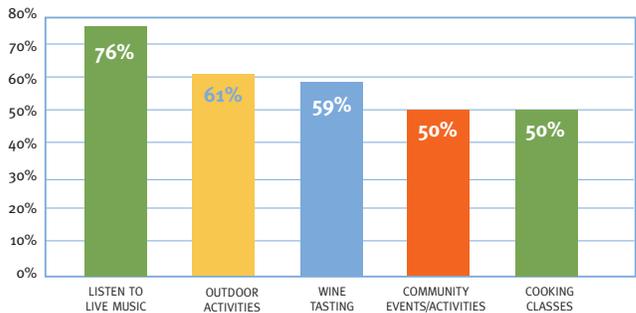
WORK/LIFE BALANCE

Houston's residents and workers want the same options for work/life balance activities.

1. Listen to live music
2. Outdoor activities
3. Wine tasting
4. Community events/activities
5. Cooking classes

"I would like some art galleries, like on Montrose. A quirky museum would give downtown a sense of culture, something other than the Fire Museum."

What do residents and workers do or want to do downtown? Build on these essential activities.



FAMILY EXPERIENCE

The majority of residents and workers who have children find value in parks, outdoor activities, festivals, and cultural experiences.

56% of survey respondents with children feel that parks and outdoor activities are important features of downtown.

72% of survey respondents with children feel that festivals and cultural experiences are an important feature of downtown.

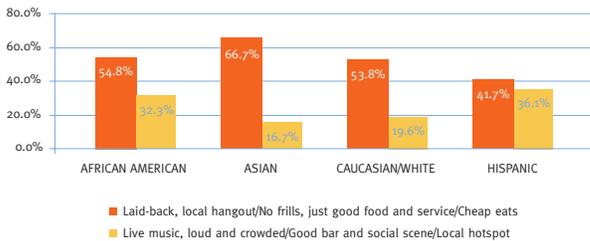
Downtown Houston Research Insights.

What is Everyday? What is Authentic?

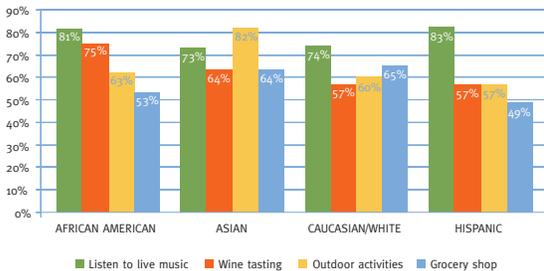


1. 3.
2. 4.

1. All ethnic groups identify the same attributes for an ideal dining experience.



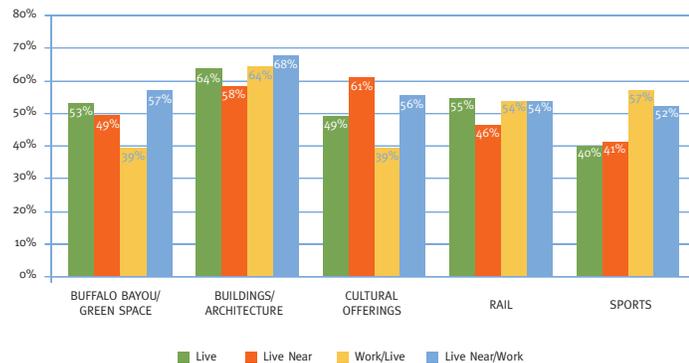
All ethnic groups identify the same attributes for ideal downtown Houston activities.



2. Unprompted, Residents and Workers Consider a Grocery Store to be the Missing Element of Downtown. N=1044 total respondents; Highest frequency: Grocery Store

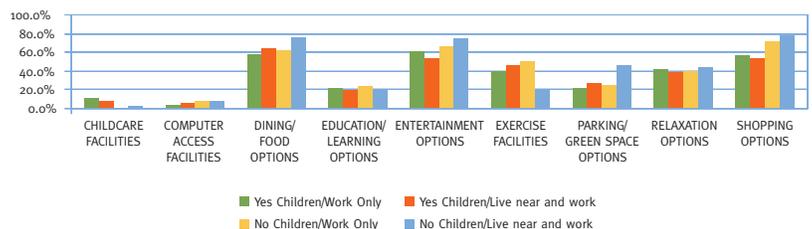
Unprompted, Residents and Workers Consider a Grocery Store to be an Amenity That Would Encourage a Move Downtown. N=1044 total respondents; Highest Frequency: Grocery Store

3. The single most under-publicized and important component of a unique persona for downtown Houston is its Historical and Architectural attributes.



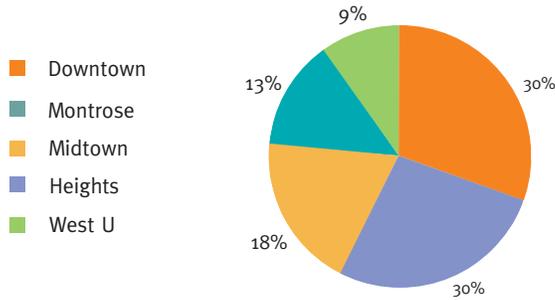
"I don't think we have any historical landmarks downtown. We should have something to be proud of as Houstonians."

4. Family experience is not about childcare.

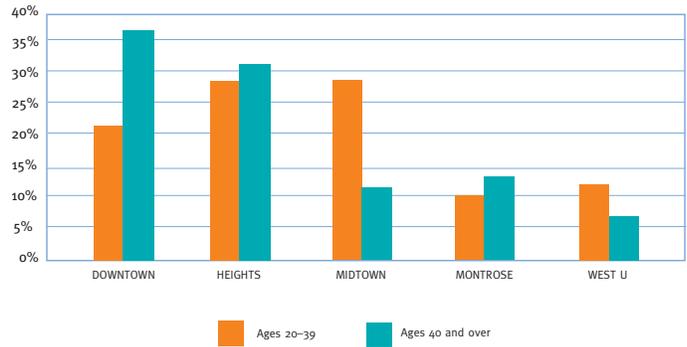


Downtown Houston Research Insights.

Downtown Houston is a location of choice (tied with the Heights) when people are considering their next residential move.



Participants aged 40 and over are most likely to move Downtown, while participants aged 20-39 are most likely to move to Midtown.



Top Leisure Activities 20-39 years old



- 1 Outdoor activities
- 2 Listen to live music
- 3 Grocery shop

Top Leisure Activities 40 years old and over



- 1 Listen to live music
- 2 Grocery shop
- 3 Outdoor activities

Downtown Houston is the destination of choice for Entertainment and Dining, but falls short in the area of Shopping.

Top areas visited for Entertainment



- 1 Downtown
- 2 Museum District
- 3 Midtown
- 4 Montrose

Top areas visited for Dining



- 1 Downtown
- 2 Montrose
- 3 Midtown
- 4 Upper Kirby

Top areas visited for Shopping



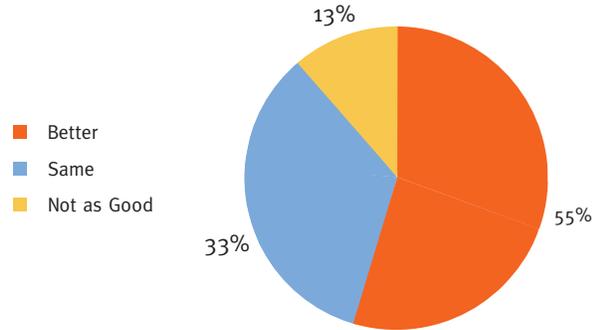
- 1 Galleria/Uptown
- 2 Highland Village
- 3 West University
- 4 Downtown

Downtown Houston Research Insights.

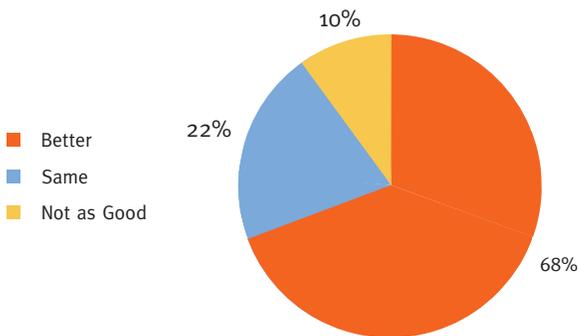
Downtown Houston Compares More Favorably to Other Neighborhoods of Houston in the Areas of:

1. Authenticity
2. Accessibility
3. Community Events/Activities
4. Ease in Walking From Place to Place
5. Cultural Offerings

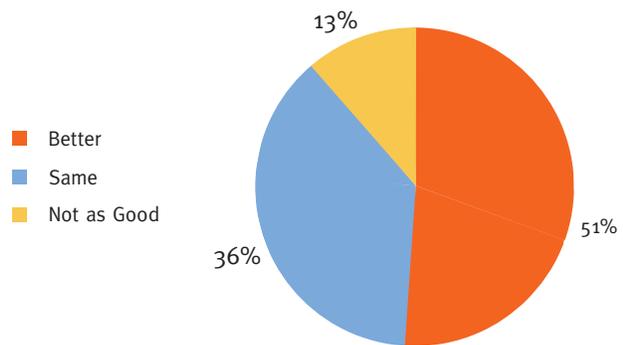
Authenticity



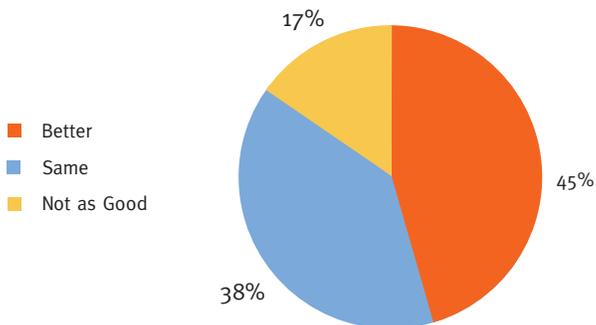
Accessibility



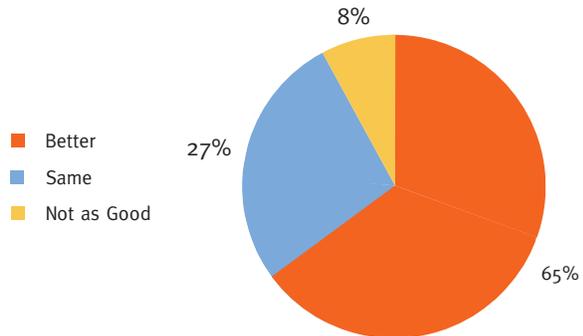
Community Event/ Activities



Ease in Walking from Place to Place



Cultural Offerings



Downtown Workers Are Closer Than We Think To Becoming Downtown Residents.

Here Is What's Missing:



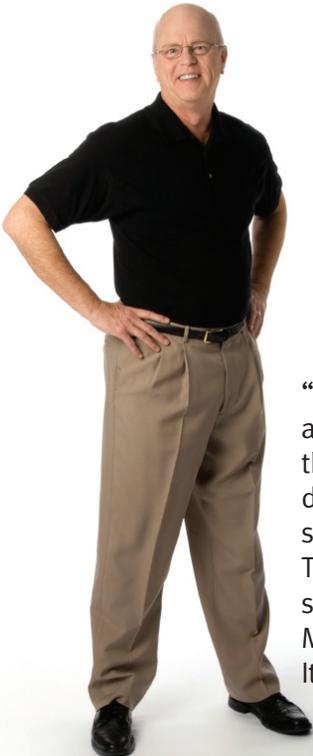
“The shops and amenities in the tunnel are great, but I can't find an ATM on the street. And, if I lived downtown, where would I walk my dog?”

“When looking to buy a home, I always check out the grocery stores in the neighborhood first. How close is it to my home? A grocery store is a necessity.”



“What is there downtown for the grownups to do?”

“My ideal downtown Houston experience would be just that, an entire experience. I could go window shopping and then walk to a café. Maybe take a class or go to a wine tasting.”



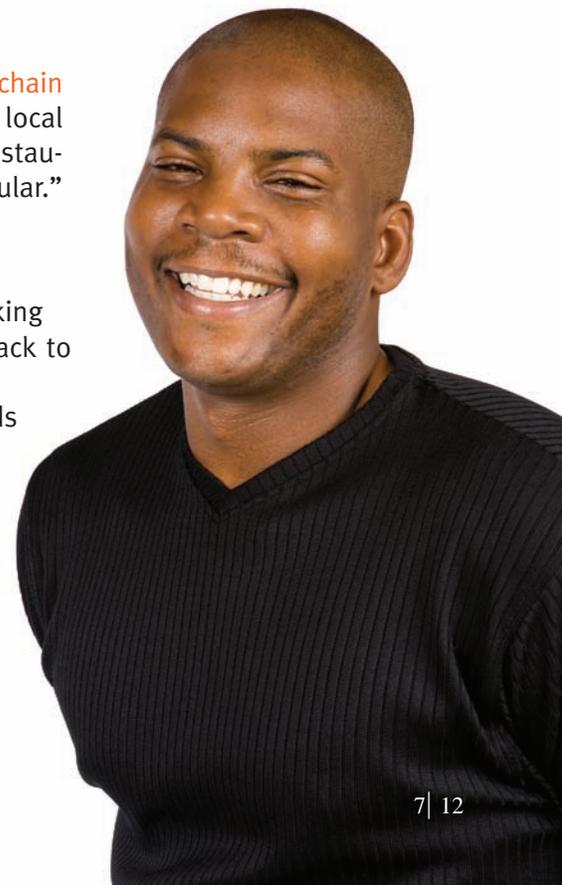
“I don't want downtown to feel like “chain restaurant row.” I want authentic, local restaurants. I want Mom and Pop restaurants where I can become a regular.”

“I'm not talking about bars or entertainment. I am talking about grabbing a sandwich for dinner before I head back to the office. I am talking about stopping for a haircut downtown or picking up dry cleaning. Downtown needs services for people who work and live downtown. The tunnels are empty at 4pm along with most of the street level retail. About the only thing open is a McDonald's over by the police station. It's crazy.”



“I want things that I can do everyday, like going to a bookstore.”

“I love taking my family to the ball games and I would like to enjoy downtown with my family after the ball games. I don't know how to get to a downtown ice cream shop or a downtown park from the Stadium.”



The New DNA for Downtown Houston: Build Experiences. Create Separate (but overlapping) Clusters.

Based on top survey responses, the following descriptors make up a composite of the downtown “participant”.



Downtown Houston Imperatives at a Glance.

1. Discovery Green and other downtown destinations need to be a connected experience.

What can people do after they leave? How do they get to that “next place”?



2. Combine characteristics of what people want.

A grocery store with wine tasting classes and live outdoor music.

3. Fill in the missing pieces of a true urban work hub. Easy, accessible (point to point), taxis, couriers, delivery, commerce, International feel, Metro Rail or other public transportation.

4. Clearly connect restaurants, hotels and cultural attractions with lighting. People want a clear, lighted path from point A to point B.



5. What is the point of view of a neighborhood?

Install street vendors and sidewalk cafés to encourage interaction. Allow people to fulfill their everyday activities on the street level. Bring the convenience of the tunnel to the street level.

Start with ATMs.



6. Devise a complete, end-to-end family experience. Start at Discovery Green. Walk to an ice cream parlor. Buy a birthday present. Go to a sporting event. Include easy navigation, signage and lighting. No holes.

7. Create a high visibility district that embodies all imperatives. Example: A Culinary District.

8. Build downtown for the future profile of downtown residents and workers.

9. Allow Houstonians to access downtown Houston. Create blogs, emails, and magazines that offer something to everyone.



How to Create the Next High Impact Downtown Houston Experience.

SUMA Partners devised a “Rapid Prototype”, which is a model that illustrates a potential real-world application of the research findings. In this case, SUMA applied the research to a vision for a new district that would enliven downtown and tap into the evolving demographics of the new resident and the interests shared by the downtown workforce: A Downtown Houston Culinary District

Checklist:

- Authentic
- Laid-back
- Walkable
- Ethnically diverse
- Original
- Local flavor
- Sense of history
- Architecturally unique
- Catering to Houstonians
- International
- Everyday activities
- Visibility
- “Vibe” factor
- Programming



Choices. Priorities. Implementation.



**Every vision needs a Champion.
Many Roles are Possible.**

Leader- Lead on key issues affecting downtown Houston

Influencer- Encourage downtown development and all aspects of downtown life to follow the overall vision for Downtown Houston; Connected Experiences

Connector- Connect experiences for all downtown users by working with downtown organizations and businesses

Communicator- Effectively and proactively communicates the vision of Downtown Houston and encourages buy-in from all stakeholders

Facilitator- Convene discussions and dialogues with downtown community groups, developers, downtown residents and downtown workers to strengthen the vision of Downtown Houston

Collaborator- Work closely with all downtown stakeholder groups

Developer- Creates and/or supports commercially viable projects.

Marketer- Proactively promotes downtown Houston as a work hub and/or residential community.



How Will Results Be Achieved?

Enforcement?

Alignment?

Compliance?

Consistency?

Priorities?

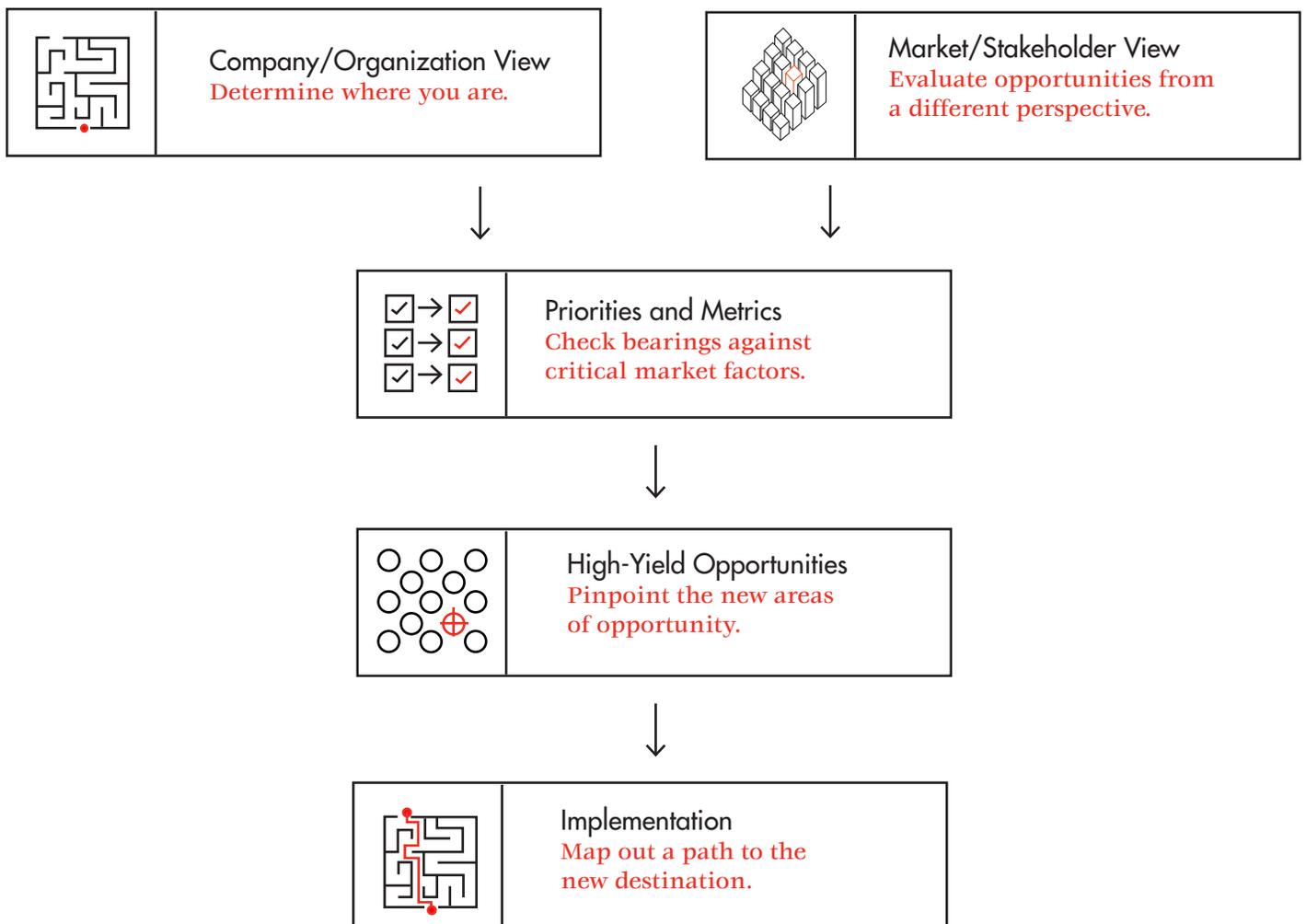
Direction?

Focus?

The Downtown District research strategy is the result of the SUMA Partners five-step process and associated research methodology (quantitative and qualitative).

SUMA Partners analyzed stakeholder points of view (with an emphasis on residents and workers) and filtered stakeholder priorities linked to high-yield opportunities for taking downtown Houston to the next level. The imperatives for downtown Houston contained in this research study are based on those findings.

SUMA'S Five-step Process:





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