

Houston is a Mexican food capital that eats national chains alive: Limp giants cannot compete with beloved locals

By Ralph Bivins | 08.29.11

Philadelphia has its cheesesteaks. Chicago has its hot dogs. And Houston, of course, is the Mexican Food Capital of the World.

“Houston is ground zero for stateside Mexican food,” says shopping center leasing specialist Matt Keener of the CB Richard Ellis commercial real estate firm. “Southern California, you hear about that a little bit. But it’s nothing like this. If you want good Mexican food and lots of opportunities to eat it at good Mexican joints, Houston is the place.”

From time to time national restaurant chains come to town, thinking they can penetrate the Houston market with nationalized versions of enchiladas and tacos that may have played in Peoria.

“Houston has very strong local guys and the nationals that have come in and tried to compete have failed,” Keener says. “The best example is Brinker (a national chain) with On the Border.”

But not in Houston.

The competition is too brutal. The local proprietors are too strong. The Houston customers are too loyal. And soon, the national player is out and their restaurant space becomes vacant.

“Houston has very strong local guys and the nationals that have come in and tried to compete have failed,” Keener says. “The best example is Brinker (Brinker International Restaurants) with On the Border. They not only came in once, they came in twice. And both times they couldn’t make it. They had very good locations. They couldn’t get it to stick because there are just too many local options.”

Before signing a lease for a new Mexican restaurant, restaurateurs should get a large sampling from the local outlets that have their followings like Ninfa’s, Gringo’s,

Pappasito’s, Escalante’s and Molina’s, to name a few. The local chains know the Houston market and they deliver the goods.

Chipotle Escalates the Burritos Wars

One out-of-town food purveyor that has done well is Chipotle Mexican Grill. A pioneer in the burrito business, the Denver-based chain currently has a couple of dozen locations in the Houston area, and they are looking for more. Shopping center broker Jason Baker of Baker Katz real estate is representing Chipotle in its quest.

Chipotle is seeking restaurant locations of between 2,000 and 2,400 square feet, Baker says. Chipotle prefers to have locations that lend themselves to having some sidewalk seating.

Chipotle prefers either free-standing restaurant buildings or space at the very end of a retail strip (called the end-cap, in retail leasing parlance).

Expect to see Chipotle scouting around some of the towns around Houston, like Beaumont or Conroe, for new locations.

Chipotle, which operates about 1,100 stores, is one of the superstars of today’s stock market, by the way. Its stock has been trading around \$300 per share, double what it was a year ago.

In Houston, Chipotle slugs it out with a stout group of regional competitors, including Mission Burritos, Freebirds and Bullritos. So far, Chipotle has been able to work the Houston market without looking over its shoulder for its national rival, Qdoba, which has over 500 burrito outlets.

The burrito wars are tough. But diners have not grown tired of the popular burrito concept. “It’s on fire,” Keener

says.

In Loving Memory of Felix

One painful loss from the Mexican food scene is Felix Mexican Restaurant on Westheimer near Montrose. Felix had been there for 60 years or so. Former Ch. 13 news personality Marvin Zindler was a big fan of Felix and so was I.

When I was a boy, my family would go there almost every Sunday. The waiters there were old pros and could handle a broiling hot plate of cheese enchiladas bare-handed — no towel required, thank you.

Felix closed a couple of years ago and the building is being remodeled, so it can become a sushi place. I can hardly wait.

What makes losing Felix a little easier is the El Real Tex-Mex Café, which opened just down the street in the old Tower Theater this year. Paying respect to its roots, El Real has hung an oversized wall photo of Mr. Felix Tijerina, the founder of Felix.

Felix Tijerina and Ninfa Laurenzo, two Houstonians who have passed away, did a lot for the development of Mexican food and the Tex-Mex genre.

There are a lot of great Mexican eateries in the state of Texas. And Mexican food in Texas is surely superior to the frou-frou Mexican food you get in California that is drizzled with sour cream. Texas' Mexican food is also vastly superior to the renderings you get in New Mexico, which seem to consist of pouring so much fiery green sauce on everything that all you taste is the fiery green sauce.

In the Lone Star State, I must say I have a great deal of respect for the Mexican food in San Antonio and Austin. La Fonda in San Antonio is world class.

But Houston has a tremendous collection of solid large chains, great independents, small vendors and undiscovered hole-in-the-walls waiting to be found. Plus,

Houston has Hugo's.

Our quantity is unmatched. Houston probably has a million square feet of restaurant space devoted to Mexican food in its various forms.

So for quality — and quantity — Houston is the Mexican Food Capital of the World.