

ARTICLES

PUBLISHED: JUNE 23, 2026

## Services

Arena & Stadium  
Development  
Land Use  
Retail Real Estate

## Industry

Real Estate,  
Development, &  
Construction

## Professionals

NIDA GHAFFAR  
CHICAGO:  
312.662.4659  
NIDA.GHAFFAR@  
HUSCHBLACKWELL.COM

GIANNA PADULA  
CHICAGO:  
312.526.1603  
GIANNA.PADULA@  
HUSCHBLACKWELL.COM

# Chicago's Next Wave: Entertainment-Led Development

Chicago has long been a city defined by its neighborhoods. Today, two of the most ambitious real estate projects in the city's history are poised to write the next chapter, not just by adding square footage, but by building entirely new communities from the ground up.

The 78 and The 1901 Project represent the leading edge of a broader shift transforming how developers, investors, and municipalities think about the urban real estate landscape. Together, they account for over \$14 billion in projected investment and more than 110 acres of underutilized land being reimaged as 24/7, live-work-play destinations.

## From Dormant Land to Chicago's Next Neighborhood

On the Near South Side, the long-stalled 62-acre former railroad yard known as The 78 is finally gaining traction. Developer Related Midwest's vision for Chicago's literal 78th neighborhood will eventually include up to 10 million square feet of residential, commercial, and institutional space, a half-mile public riverwalk, and a proposed new CTA Red Line station. The catalyst: Chicago Fire FC owner Joe Mansueto's privately funded \$750 million, 22,000-seat soccer stadium, slated to anchor the first phase of development. Mayor Brandon Johnson's recent proposal of a \$425 million TIF package for surrounding infrastructure underscores just how much the city has invested in seeing this vision come to life.

On Chicago's West Side, the owners of the United Center broke ground this month on The 1901 Project: a \$7 billion, multi-phased transformation of 55 acres of surface parking surrounding the arena. Named for its Madison Street address, the development will deliver a 6,000-seat music hall, a hotel, retail, expansive public parks, and ultimately up to 9,500 residential units, with 20 percent designated as affordable housing. Approved unanimously by the City

Council in February 2025, The 1901 Project represents the largest private investment on Chicago's West Side in modern memory.

## **Entertainment as the New Anchor**

Both projects reflect a national trend that is reshaping commercial real estate fundamentals. JLL projects that entertainment and lifestyle districts will grow from roughly 4 percent of national office inventory today to 30 percent by 2040. Across the country, projects like The Battery in Atlanta and OCvibe in Southern California have demonstrated that sports-anchored mixed-use developments consistently outperform market fundamentals, achieving higher occupancy rates, stronger retail absorption, and greater long-term asset valuation than comparable single-use properties.

Chicago is now betting on the same model, and unlike the publicly subsidized stadium deals that have drawn political scrutiny in other cities, both The 78 and The 1901 Project are anchored by substantial private capital, signaling genuine investor conviction in Chicago's trajectory.

## **The Legal Infrastructure Behind the Headlines**

What the renderings rarely show is the legal and transactional complexity required to bring projects of this scale to life. Mixed-use entertainment districts demand sophisticated coordination across multiple asset classes simultaneously: phased construction obligations tied to financing milestones, TIF district negotiations with municipalities, retail and commercial leasing structures, condominium documentation, joint venture agreements, and ongoing regulatory engagement at the city and state levels. Each component, residential, hotel, stadium, entertainment venue, and ground-floor retail comes with its own distinct set of deal terms and risk profiles. The real challenge isn't just delivering each use, but integrating them into a single, cohesive development. That's where experienced counsel becomes critical: not just to document the deal, but to align competing timelines, capital stacks, and stakeholder interests across the entire project.

Ultimately, the viability of a district like The 78 or The 1901 Project hinges on the success of the businesses within it and that success is inseparable from the precision with which each lease is structured. As concert venues, entertainment concepts, fitness operators, and immersive experience brands replace traditional department stores as foot-traffic drivers, their leases must be drafted to account for the volatility of their business model. Percentage rent tied to gross sales better aligns landlord economics with a tenant that may perform spectacularly on event nights and modestly in between. Co-tenancy provisions require careful drafting: the traditional named-anchor model breaks down when the anchor is an experiential operator whose brand may pivot, be acquired, or simply underperform. CAM allocations across mixed-use components, such as retail, hotel, residential, and stadium, require bifurcated cost pools to prevent retail tenants from absorbing costs generated by the arena or hotel. Go-dark provisions, continuous operation covenants, and casualty restoration

obligations all require heightened attention when the anchor's physical presence is the project's primary traffic driver.

A mixed-use entertainment district can deliver it all: the stadium, the residences, the retail, and the energy. But whether it endures comes down to the leases: how they are structured, how risk is allocated, and whether they are built to generate sustainable economics over the long term.

As Chicago's mixed-use pipeline continues to grow, experience at the intersection of legal mechanics and business realities is no longer a luxury. It is essential to keep these projects moving from concept to completion.

Chicago is building something extraordinary. The 78 and The 1901 Project are proof that the city's real estate market is not simply recovering; it is transforming. For developers, investors, lenders, and the advisors who support them, the next decade in Chicago promises to be among the most dynamic in the city's history.