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The proliferation of big box retailers throughout the country, including warehouse-sized sporting goods stores, hasn't passed by the owners of Pottstown, Pennsylvania-based Schuylkill Valley Sports (SVS). That's why their continued success and growth in such an environment is nothing short of remarkable.

With 19 locations serving central and eastern PA, and western New Jersey, SVS has carved a niche as a hometown retailer that strengthens sales through loyalty by being a top supplier of equipment and uniforms to local sports teams. SVS has also become a recognizable entity due to its advertising on Philadelphia sports talk radio WIP, and the retailer's hiring of Brian Dawkins, a former member of the National Football League's Philadelphia Eagles, as a spokesman.

Unlike big box retailers, many of which own their buildings or have enough clout to be granted "anchor" store status at shopping centers and malls, a separate and unique lease for each SVS location must be hammered out with landlords. And lease agreements can vary tremendously; the documents are often hundreds of pages long, fraught with policy language that can confuse even the most astute reader.

The law firm of Dilworth Paxson LLP, has been providing counsel on lease agreements to SVS since the sporting goods company's inception in 1971. Dilworth Paxson, in representing SVS, has provided cost-effective and efficient review of shopping center leases and/or lease amendments. As an attorney representing SVS in real estate matters since the mid-1990s, Dilworth Paxson partner Rosemary Loverdi has amassed a wealth of knowledge and understanding of the issues facing SVS when it comes to lease negotiation.

"Leases contain a tremendous amount of details," Loverdi says. "Many of the smaller points can unknowingly affect the client's bottom line. Knowing their business and experience in retail Leasing, I think that's where we offer SVS a tremendous advantage. We advocate for SVS and all our clients, and we handle the work effectively and efficiently."

SVS President Jerry Williams recognizes the value that Loverdi and Dilworth Paxson bring to the process of negotiating leases. Williams says there are so many nuances in any lease that, if not recognized, can saddle retailers with thousands of dollars in unexpected costs.

SVS, like many retailers, has faced such lease issues as:

- Sales territory exclusives
- Utility overcharges
- Common-area-maintenance (CAM) fees
- Accounting methods for sales figures that influence lease rates
- Rights to relocate stores from underperforming shopping centers
- Lease rate reductions

“There’s more than just rent that’s needs examination,” says Williams. “There’s CAM, accounting for taxes, depreciation and other factors in some of our mall stores that total about as much as we pay in rent. Malls seem to look at these fees as profit leaders. We have faced some situations in which an anchor store essentially owns the mall, takes up the largest percentage of retail space and occupies a majority of parking spaces, only to contribute nothing to CAM costs.”

Dilworth’s Rosemary Loverdi agrees that tenants really have to be on top of such issues to make sure they’re getting their money’s worth when it comes to leases.

“By working with clients on drafting their lease, we make sure the document contains enough leeway for proper provisions – like CAM costs – to be in place from the start,” Loverdi says. “Some retailers may want to cut corners and deal with lease issues on their own, but then they may reach out to us when they face stumbling blocks or disputes. In many instances we find ways around litigation and filing formal complaints so that landlords and tenants can reach agreements faster and with less acrimony.”

Dilworth Paxson has helped keep SVS stick to their bottom line so the company can prosper. And now the sporting goods retailer is planning to open its first location in Delaware, where consumers can take advantage of tax-free shopping.

Loverdi says that clients – larger or smaller than SVS – can leverage the firm’s many practice groups to achieve complete representation. Dilworth regularly represents retailers and other companies in such manners as:

- Labor and employment issues
- Drafting Employee manuals
- Arbitration with insurance companies on employee matters
- Procurement policies
- Federal and state procurement law and regulations
- Estate Planning for executives

For more information on how Dilworth Paxson can provide representation for your organization in real estate and other matters, please contact Rosemary Loverdi Partner, Co-Chair, Procurement Practice Group, in our Philadelphia office via her direct line, (215) 575-7035, or e-mail, rloverdi@dilworthlaw.com.