Sports Authority Bankruptcy

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Retailer to shut all LI locations in bankruptcy

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Sports Authority will hold going-out-of-business sales as the retailer prepares to close all of its stores, including eight on Long Island.

A group of liquidators that includes Gordon Brothers Retail Partners, Hilco Merchant Resources, and Tiger Capital Group successfully bid for the company’s assets in a bankruptcy auction on Monday, according to court documents filed Tuesday. The assets include merchandise, furniture, fixtures and equipment at stores, distribution centers and corporate offices. The liquidators will conduct “everything must go” sales, the documents said.

A Sports Authority representative yesterday declined to comment beyond the court filing.

Earlier this month, Englewood, Colorado-based Sports Authority, which filed for Chapter 11 bankruptcy protection in March, announced it was no longer pursuing reorganization and would sell some or all of its business. Sports Authority — owned by Los Angeles-based private equity firm Leonard Green & Partners — said in its bankruptcy filing it had $1.1 billion in debt.

At the time of its filing, Sports Authority said it would close 143 stores nationwide, or nearly one-third of its 463 stores in 41 states and Puerto Rico. Four of its eight stores on Long Island were slated to close: the Westbury Outlet S.A. Elite store at 950 Old Country Rd., the Riverhead store at 1160 Old Country Rd., the Smith Haven store at 2110 Nesconset Hwy. in Stony Brook, and the Commack store at 124 Veterans Memorial Hwy.

The winning liquidation bid means the four other Sports Authority locations on Long Island will also close. The stores are located at 5151 Sunrise Hwy. in Bohemia, 2505 Hempstead Tpke. in Levittown, 5234 Sunrise Hwy. in Massapequa and 1230 Old Country Rd. in Westbury.

Sports Authority also initiated negotiations with “certain third parties” who made bids on unexpired store leases, according to court documents. The bids may be presented at a bankruptcy court hearing on May 24. The auction for remaining store leases was adjourned to June 29.

Among those that are interested, according to published reports, are Dick’s Sporting Goods and Modell’s Sporting Goods.

It is easier for a business to move into an existing retail space than to build a new locale, said Paul G. W. Fetscher, president of Great American Brokerage Inc. in Long Beach.

“Those stores are going to be valuable,” said Fetscher, who is also the president of the New York State Commercial Association of Realtors. “They are in good locations, good markets and they have good leases, and they will give someone the opportunity to open up promptly.”

Retail rent prices have risen since 2011 and are at higher levels than in 2006 and 2007, before the recession, he said.

“People will pay to step into that lease to be able to pay a lower rent for a longer time,” Fetscher said. “I expect those stores to be snatched up in a relative short amount of time.”