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WSJ: Detroit’s Bankruptcy Case Officially Closes.

A court decree marks the final chapter for one of the largest municipal restructurings in U.S. history

Judge Thomas Tucker of the U.S. Bankruptcy Court in Detroit this week granted the city’s request for a final decree closing the case. The milestone arrives nearly 13 years after the city filed for protection, following decades of industrial decline in the Midwest metropolis.

At the time, under the direction of a state-appointed emergency manager, Detroit filed for bankruptcy with more than $18 billion in liabilities, driven by a decreasing tax base due to a shrinking population and heavy pension obligations. The restructuring plan, approved in late 2014, allowed the city to shed roughly $7 billion in debt and restructure another $3 billion, freeing up roughly $150 million a year to spend on city services.

Mayor Mary Sheffield this week said that the city has its “financial house in order.” She cited 12 straight balanced budgets and surpluses, more than $500 million in reserve funds and a return to investment-grade credit-rating status.

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The Wall Street Journal

By Becky Yerak

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