

Harrisburg Holds 'Wild West' Auction to Reduce Debt

by Joel R. Glucksman on August 8, 2013

Harrisburg, Pennsylvania, has been struggling for years to unload its heavy municipal debt and repair its broken economy. The city attempted to file for bankruptcy protection in 2011, but the court dismissed its request, leaving the debt-saddled state capital with few avenues for alleviating its financial woes. Now, the city is trying a new creative strategy in order to reduce debt costs and avoid the tedious bankruptcy road: an auction.

The city announced its plans to hold a "Wild West" bankruptcy auction, during which it plans to sell thousands of its historic artifacts, replicas, and even gift shop memorabilia to raise money and pay its creditors. The inventory ranges from hundreds of antique guns, furniture from saloons and brothels, Native American clothing, weapons from the Revolutionary War, and other coveted assets. Top inventory items also include Buffalo Bill's pipe, an arrest warrant for Jesse James, a letter written by Billy the Kid, and Annie Oakley's jewel box.

Former mayor Stephen Reed, who served from 1981 to 2009, spent years amassing the historical artifacts in the hopes of opening museums across the state and attracting tourists. When his plan failed, the items ended up sitting idle in a facility for years.

Proceeds from the auction will go toward the city's \$300 million debt balance, which it accrued after a sour investment it made nearly 10 years ago, CNN Money reports. Harrisburg purchased twin incinerators in the hopes that it could earn fee revenue from picking up trash in neighboring municipalities. After the deal failed, however, the city was left struggling to repay creditors.

Auctioneer Joanne Grant recently told Pennsylvania newspaper Morning Call that nearly 7,000 individuals have already signed up on the city's website to bid for the assets. Thousands more are expected to arrive at warehouses to bid in person.