

## **Bluff City Steel Expands Capacity with Ohio Plant**

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Bluff City Steel LLC of Memphis, Tenn., is investing \$8 million to buy a Maple Heights, Ohio-based steel-processing plant that will more than double the company's capacity.

The move comes despite a high rate of bankruptcies in the steel industry because of low steel prices and a slowing economy.

Joe Higdon, chief manager and a principal of the company, said his company has continued to remain profitable in the recession and would likely grow more quickly in Memphis as a result of the acquisition.

Bluff City Steel, founded in 1996, is buying the assets of Metal Processing Corp., which had been placed in receivership by its creditors. The company's bid was approved by the Court of Common Pleas of Cuyahoga County, Ohio, last week.

Closing is expected early next year.

Bluff City Steel has 50 workers at its two steel operations in Memphis, where it processes bar rod and wire steel for the fastener industry. Higdon said the Ohio plant is used for the same type of processing.

The plant is being renamed BCS Metal Prep LLC and will become a wholly owned subsidiary of Bluff City Steel, he said.

The plant has a capacity to process about 300,000 tons of steel a year but is processing only about 130,000, he said.

"We intend to put this place (the Ohio plant) back together, and at the same time, it will complement the Memphis facilities," Higdon said.

In Memphis, the company has a capacity to process 125,000 tons of steel. It is processing about 85,000 tons of steel a year.

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