

Middletown one of two sites competing for new coke plant

By [Kevin Aldridge](#) Staff Writer Wednesday, March 05, 2008

MIDDLETOWN — The potential development of a new \$300 million coke oven facility just off Ohio 4 shows AK Steel Corp.'s long-term commitment to Middletown, city officials say.

News surfaced late Tuesday, March 4, of a potential partnership between AK Steel and Tennessee-based SunCoke Energy that could result in the building of a facility in Middletown that would manufacture metallurgical coke and regenerate steam and heat into electricity. The facility could produce about 50 to 100 jobs, according to Middletown Planning Director Marty Kohler.

The "state-of-the-art, environmentally friendly" plant is targeted for 157 acres between Ohio 4 and the MADE Industrial Park, near Garden Manor Retirement Village and Amanda Elementary School.

Thomas Golembeski, corporate spokesman for SunCoke, said the plant, which would be contiguous to AK's Middletown Works mill, would be built, owned and operated by SunCoke. He said AK Steel would make a long-term commitment with SunCoke to purchase all coke produced by the plant as well as all of the power it generates.

"The project is still being developed and neither AK nor SunCoke has made any final decisions or received any approvals from their respective boards of directors," Golembeski said. "We're moving ahead and working very closely with AK Steel and we would like to see the project be developed."

AK Steel currently operates two coke plants, which together provide 75 percent of the metallurgical coke needed for its Middletown and Ashland, Ky. blast furnaces, according to Alan McCoy, AK's vice president of government and public relations.

"The proposed project would provide adequate coke to meet AK Steel's current requirements outside its existing capacity," McCoy said in a written statement released Wednesday evening. "AK Steel has no plans to idle any of its cokemaking capacity in the event the proposed project is consummated."

Scott Rich, president of the International Association of Machinists and Aerospace Workers Local Lodge 1943, said he believes the deal would be good for the city and for the union.

He said the new plant would decrease costs and increase production. He said it would also provide the Machinists with an opportunity to unionize workers at SunCoke's facility.

Potential investment speaks volumes

Charles Bradford, an steel analyst with Bradford Research in New York, said the deal would be good for AK because coke is hard to come by. Bradford said AK is currently having to purchase coke from outside sources because the company is not producing enough on its own — a point confirmed by Rich, of the Machinists.

City leaders were trumpeting the news today, saying if the project comes to fruition, it should put to rest any questions about the steelmaker's commitment to Middletown.

"It sends a clear message that AK is here to stay," said Middletown Councilman David Schiavone. "This would be a huge benefit to our community psychologically and financially."

Councilwoman Anita Scott Jones added: "The fact that they would make an investment like this in Middletown to me speaks volumes."

Most of the news surrounding AK, one of Middletown's two largest employers, during the past five years hasn't been pleasant for the local economy. Job cuts, a yearlong lockout and the moving of its corporate headquarters from Curtis Street to West Chester Twp. have been economic black eyes for this city of 51,000.

But a new coke plant would give life to the rhetoric that council members have been peddling about Middletown turning the economic corner.

Mayor Lawrence P. Mulligan Jr. who touted a number of Middletown's recent economic development successes during his State of the City speech in February said this investment would be on par with the construction of the new Atrium Medical Center on Union Road just off Interstate 75. He said it also shows that Middletown is becoming a player again not just regionally, but statewide.

"It shows that there is some renewed interest in doing some things here in Middletown," Mulligan said. "I'm real encouraged by that."

"For the last three years all you heard about and read about was all the industry shutting down and moving," said Councilman Jim Armbruster. "But so far this year, for the first time, you are hearing something positive."

"I've been excited about this project since day one, and I'm going to do whatever it takes on my behalf as a council member to make this happen," Armbruster said. "We have turned the corner, but we've got to keep going. We can't lean back. There's a lot of potential out there and I think you are going to see more happening in Middletown."

Public hearing set for rezoning

But first and foremost, the 157 acres where the plant would be built has to be approved for rezoning. Middletown Planning Commission has scheduled a public hearing for 6:30 p.m. March 12 at the Middletown City Building, One Donham Plaza, to rezone the proposed area from residential to general industrial.

Kohler said the city had originally targeted the land for an industrial park when it adopted its 2005 Master Plan. However, the Middletown City Schools asked the city not to rezone the land at the time because the district was looking at the site as a possibility for a new high school. The district later decided to look at other locations.

Kohler said the city decided to get the land rezoned so that it conforms to the master plan.

On Wednesday, Bill Murphy, Middletown's economic development director, said the MADE Industrial Park is one of, but not the only site being considered for the SunCoke project.

"The rezoning of the property is certainly an important and required first step in the development process. There are still several more steps necessary before this or any other project could move forward on the site," Murphy said.

"We are actively doing everything we can, including working with the state and other regulatory agencies, to keep Middletown as SunCoke's preferred location."

As part of the assessment, representatives of the city will be traveling to see a similar plant in Haverhill, Ohio, in Scioto County, also owned and operated by SunCoke Energy.

"This project would be a major step in diversifying and modernizing our local economy, one of three of the city's major objectives in its Master Plan. It also is consistent with our economic development priorities, which seek to attract investments in advanced materials and manufacturing," Murphy said.

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