



## SPIECH FARMS LLC

Paw Paw

### MSF ACTION:

\$220,000 Michigan Business  
Development Program  
performance-based grant

### TOTAL CAPITAL INVESTMENT:

\$1.05 million

### NEW JOBS IN MICHIGAN: 55

### PROJECT PARTNERS:

Village of Paw Paw  
Southwest Michigan First

Paw Paw's agribusiness is overflowing with abundance.

Spiech Farms LLC is a fourth-generation grow, pack, and ship operation that grows hundreds of acres of grapes, asparagus, lettuce and blueberries. The company now wants to add a frozen product line, which necessitates expansion and leasing a freezer/refrigeration warehouse.

Michigan Strategic Fund approval of a \$220,000 Michigan Business Development Program performance-based grant helped convince the company to invest in its current Paw Paw facility rather than near their Georgia acreage. The grant will help offset the up-front costs associated with Michigan expansion. Southwest Michigan First is also supporting the project in the form of staff time.

The project will create 55 new jobs with a total capital investment of \$1.05 million.



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**Company Information**

<p><b>Company Name</b> Spiech Farms, LLC</p> <p><b>Country</b> United States</p> <p><b>Street Address</b> 61675 M-40 Hwy,</p> <p><b>City</b> Paw Paw</p> <p><b>State/Province</b> MI</p> <p><b>Zip/Postal Code</b> 49079</p> <p><b>MI County</b> Van Buren</p> <p><b>Fiscal Year Begins</b> 01/01</p> <p><b>Submitted Date</b> 3/30/2016 11:11 AM</p> <p><b>Other Fiscal Year</b></p> <p><b>Brief Company History</b> Spiech Farms is a 4th generation, grower, packer, and marketer of Asparagus, Blueberries, and Grapes. The vertical integration of field to store shelves have given us an edge to grow our business. currently our customer base includes most every major retail chain east of Denver, CO, and continues to grow.</p> <p><b>Parent Company</b> Spiech Farms, LLC</p>	<p><b>Year Incorporated</b> 1980</p> <p><b>Industry</b> Agriculture</p> <p><b>Company Website</b> http://www.SpiechFarms.com</p> <p><b>FEIN</b> 20-4525736</p> <p><b>Business Entity Type</b> Limited Liability Company (LLC)</p> <p><b>State Where Incorporated/Organized</b> MI</p> <p><b>Primary NAICS</b> 111339</p> <p><b>Fiscal Year Ends</b> 21/31</p>
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**Company Contact Information**

<b>Company Contact First Name</b> Tim	<b>Company Contact Last Name</b> Spiech
<b>Company Contact Email Address</b> tspiech@spiechfarms.com	<b>Company Contact Phone Number</b> (269) 657-1980

**Current Employment**

Employment Data pulled as of 3/16/2016

List Entity Name and Address of all Michigan Facilities	FEIN	Employees
Spiech Farms Paw Paw, 61675 M40 Hwy, Paw Paw, MI 49079	20-4525736	39
Spiech Farms, LLC	20-4525736	31
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
<b>Total</b>		<b>70</b>

**Project Description**

<p><b>Project Name</b> Frozen Foods Department</p> <p><b>Project Street</b> 61675 M40 Hwy</p> <p><b>Project City</b> Paw Paw</p> <p><b>Project Zip Code</b> 49079</p> <p><b>Project MI County</b> Van Buren</p> <p><b>Will the applicant lease or own the facility?</b> Own</p> <p><b>Is the project a high-technology activity project?</b> No</p> <p><b>If project is a high-technology activity project, select the activity that best suits the applicant and project.</b></p> <p><b>Year 1</b> 2016</p> <p><b>Year 2</b> 2017</p> <p><b>Year 3</b> 2018</p> <p><b>Project Description</b> Create viable market for Retail focused frozen food items that Spiech Farms currently produce, aswell as utilize necessary equipment by co-</p>	<p><b>Municipality Name</b></p> <p><b>When is hiring anticipated to begin?</b> 3/21/2016</p> <p><b>Planned Project Start Date</b> 3/29/2016</p> <p><b>Is the site under consideration a reuse or expansion of an existing development?</b> Yes</p> <p><b>If no, please describe why reuse is not feasible.</b></p>
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packing other store brands and products, i.e (Mangos, Pinapple, Peaches, etc)  
 Creating the market, Product lines, and Product itself will require a split of management, resources, space and equipment.

**Project Constraints** Space and Capital are the two major constraints, During the early phases of this product line, Spiech Farms will need to lease space at hanson freezer in hartford in order to accommodate the necessary frozen inventories and production space. The capital needed to fund the build out of the appropriate space at M40 will be needed to expand our facility and to add the appropriate amount of freezer space to accommodate the production line.

**Project Alternative** there are currently 3 alternatives to this project in MI. FL, Spiech Farms has a facility 25,000 sqft in FL that is under utilized through out most of the year, moving the production line here could ease the space problems in michigan and help create stability to our FL operations.

GA, Spiech Farms has a 12,000 sqft facility in Baxley, GA that is completely un-utilized, currently diverting all GA product to the FL warehouse to help utilize that facility. GA facility could be used 100% for the frozen lines, and is located only 2 hours from Brunswick International shipping Port which is ideal for year round food sourcing.

NC, We received a cold call from Rockford county, NC, who is loosing a coors brewing facility, they have been tasked to create jobs, and are currently working with a number of landlords to build out the space needed, provide a grant from "the golden LEAF" for all equipment needed, an provide a governors grant based on job creation. though this does not help utilize any of our current facilities, the early talking show great ease of entry for us. management will be the challenge.

**Other Project Considerations** the blueberry seasons in 2014 and 2015 were obliterated by record setting low temperatures for both low points, and duration, these low points killed most of the crop bearing wood on the blueberry plants, both years, leaving us in financial hardship after two consecutive seasons. 2016 will be improved over 2015, but it will take a minimum of three seasons until we are back to normal production. Our focus on product lines that utilize our own products, and world wide commodities will help to stabilize our core and be able to absorb weather related short comings in the future.

**Cumulative New Jobs by Year**

Job Category	New Jobs Created 2016	Avg. Weekly Wage 2016	New Jobs Created 2016 & 2017	Avg. Weekly Wage 2016 & 2017	New Jobs Created 2016 - 2018	Avg. Weekly Wage 2016 - 2018
Managerial	2	\$1,000	2	\$1,000	2	\$1,000
Professional	0	\$0	0	\$0	0	\$0
Technical	1	\$720	2	\$720	3	\$720
Sales	0	\$0	0	\$0	0	\$0
Clerical	1	\$500	2	\$500	3	\$500
Craftsman (skilled)	0	\$0	0	\$0	0	\$0
Operators (semi-skilled)	2	\$500	4	\$500	11	\$500
Laborers (unskilled)	16	\$360	28	\$360	36	\$360
Service	0	\$0	0	\$0	0	\$0
Other	0	\$0	0	\$0	0	\$0
<b>Total</b>	<b>22</b>	<b>\$454</b>	<b>38</b>	<b>\$435</b>	<b>55</b>	<b>\$439</b>

Will the new jobs be direct employees?  Yes  
 If no, please explain

Are employer paid benefits provided?  No  
 If yes, please describe

**Capital Investment**

Proposed Investment	2016	2017	2018	Total
Building - Annual Lease Costs	\$45,000	\$60,000	\$60,000	\$165,000
Building - Leasehold Improvements	\$6,000	\$6,000	\$0	\$12,000
Building - New Construction	\$0	\$0	\$0	\$0
Building - Purchase of Existing	\$0	\$0	\$0	\$0
Building - Renovations	\$0	\$200,000	\$500,000	\$700,000
Capital	\$0	\$0	\$0	\$0
Eligible Activities - Demolition	\$0	\$0	\$0	\$0
Eligible Activities - Developer Fee	\$0	\$0	\$0	\$0
Eligible Activities - Interest	\$0	\$0	\$0	\$0
Eligible Activities - Other Soft Costs	\$0	\$0	\$0	\$0
Eligible Activities - Site Improvements	\$0	\$0	\$0	\$0
Eligible Activities - Site Preparation	\$0	\$0	\$0	\$0
Infrastructure - Private	\$0	\$0	\$0	\$0
Infrastructure - Public	\$0	\$0	\$0	\$0
Land - Acquisition	\$0	\$0	\$0	\$0
Land - Demolition	\$0	\$0	\$0	\$0
Land - Site Prep/Improvements	\$0	\$0	\$0	\$0
Other (explain)	\$0	\$0	\$0	\$0
<b>Total Capital Investment</b>	<b>\$217,000</b>	<b>\$422,000</b>	<b>\$716,000</b>	<b>\$1,355,000</b>

Proposed Investment	2016	2017	2018	Total
Personal Property - Computers & IT	\$0	\$0	\$0	\$0
Personal Property - Furniture and Fixtures	\$0	\$0	\$0	\$0
Personal Property - Machinery & Equipment	\$150,000	\$150,000	\$150,000	\$450,000
Personal Property - Other (explain)	\$0	\$0	\$0	\$0
Personal Property - Pollution Control	\$0	\$0	\$0	\$0
Personal Property - Special Tooling	\$16,000	\$6,000	\$6,000	\$28,000
Soft Costs - Architectural, Engineering, Surveying & Other Eligible Soft Costs	\$0	\$0	\$0	\$0
Soft Costs - Developer Fee	\$0	\$0	\$0	\$0
Soft Costs - Other (explain)	\$0	\$0	\$0	\$0
<b>Total Capital Investment</b>	<b>\$217,000</b>	<b>\$422,000</b>	<b>\$716,000</b>	<b>\$1,355,000</b>

**Explanation of Other Personal Property**

**Financial Information**

**Briefly describe the financing structure for this project** Earnings, + Grants + Bank and Leasing Company support has been obtained to purchase equipment, lease space, and fund the startup RD functions to get this project underway

**Is financing secured?** Yes

**If no, please provide percentage of secured financing**

**Other Disclosures**

List any lawsuits or proceedings pending, or resolved by settlement or other disposition within the last five years, other than ordinary routine litigation incidental to the business, against the Applicant Entity or, to the Applicant's knowledge, filed against the Applicant Entity or any of its affiliates. Include similar information as to any such proceedings known to be contemplated by governmental authorities. Enter NONE if not applicable.

n/a

List any administrative agency proceedings pending, or resolved by settlement or other disposition within the last five years, other than ordinary routine proceedings of all states incidental to the business, against the applicant by governmental authorities. Include similar information as to any such proceedings known to be contemplated by governmental authorities. Enter NONE if not applicable.

n/a

**Certification**

On behalf of the Applicant Entity, I authorize the Michigan Economic Development Corporation (MEDC), Office of the Chief Compliance Officer (CCO), the Department of Attorney General, and/or the Michigan Strategic Fund (MSF) to review information provided to the State of Michigan Department of Licensing and Regulatory Affairs (LARA) or any other State of Michigan Department or Agency for purposes of verifying information provided in support of the Applicant's request for incentive assistance.

Further, I authorize the MEDC, CCO, the Department of Attorney General, and/or MSF, or any of their designees to perform background checks on the Applicant Entity.

I understand that the Applicant Entity will not be able to enter into a written agreement between the company and the MSF unless all of the following are met:

- The Applicant Entity has demonstrated the need for the incentive assistance.
- The Applicant Entity agrees to provide all data described in the written agreement necessary for the MSF to report to the Legislature as required by the Act.
- I hereby certify that the information contained in this application and in the exhibits or attachments submitted are true and correct to the best knowledge of the Applicant and the undersigned, and are submitted to the MEDC as a basis for determining whether the MSF should consider to authorize incentive assistance for the project.

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Action	Name	Date Uploaded
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