

Business

Last Updated: January 08, 2011 1:00AM

Growth may push Kowalski to relocate

After 90 years in Hamtramck, firm looks for more space

Tim Devaney / The Detroit News

Hamtramck might lose a slice of its Polish identity because Kowalski Companies Inc. is considering leaving the city.

The family-owned and operated company wants to expand and is looking outside the city, Hamtramck City Manager William Cooper said Friday. Hamtramck, Wayne County and state officials met with Kowalski last week to discuss staying, he said.

"I'm shocked," said Jerry Herron, a Wayne State University professor of American studies and a cultural expert who lives in Detroit. "It is like Mount Rushmore moving out of the Dakotas."

The firm, which is also known as Kowalski Sausage Co., has more than 100 employees and makes 55 varieties of products from kielbasa to hot dogs to side salads and dips sold in Michigan, Ohio, Indiana and Kentucky.

The 85-year-old sausage company is considering a move to Madison Heights or another location with more space, said Cooper, who added the company needs 100,000 square feet for a new facility.



A neon Kowalski Sausage sign on Holbrook in Hamtramck. The popular sausage company is considering a move. (David Coates / The Detroit News)

Madison Heights Economic Development Coordinator Linda Williams said Kowalski requested in October a rezoning of the property at the former Sam's Club on 14 Mile and John R so a wholesale packaging company could operate there.

The proposal was approved in December, Williams said. But it remains unclear whether Kowalski intends to purchase the 114,552-square-foot site.

Kowalski officials did not return calls for comment Friday. The company also reportedly has been approached by communities in Ohio.

Customers had mixed emotions Friday about Kowalski's possible departure. "It would hurt the city," said Steve Rotko, 53, of Hamtramck, who said he grew up eating Kowalski sausages. "You hate to see business leaving."

Other customers didn't seem to care. Lucyna Oldziejewska of Westland said she can buy Kowalski sausages at Sam's Club, so it really doesn't matter to her if the company leaves Hamtramck.

Jack Roginski, 44, of Warren agreed. "I don't care about this because I can buy their sausages at other stores," he said.

If Kowalski leaves Hamtramck, the city would lose about \$42,500 in tax revenue, Cooper said. The city's annual revenues are about \$18 million, he said.

Company workers who live in Hamtramck pay a 1 percent income tax, while nonresident employees pay 0.5 percent. Madison Heights has no income tax.

"The first concern is to see what we can do to keep them in Hamtramck," Cooper said. "Then, after that, we want to keep them in the county and at least in the state."

Hamtramck unsuccessfully asked the state last month if it could declare bankruptcy. The government says it is on track to run out of money by March.

Losing Kowalski might be the beginning of business leaving Hamtramck, said Ken Dalto, a Farmington Hills retail analyst.

"It could signal that business are probably going to be moving out," he said.



Customer Lucyna Oldziejewska of Westland talks about the possible Kowalski move at the Polish Market in Hamtramck. (Ricardo Thomas / The Detroit News)

Space might not be the only reason Kowalski wants to leave, Dalto said. It also might want tax breaks and hope to leave a city that is struggling with potential bankruptcy and vandalism, he said.

"If I were them," Dalto said, "I would move out, too, probably."

Kowalski was started by Polish immigrants Agnes and Zygmund Kowalski, who originally opened a grocery store in Detroit.

When they added a smokehouse and started making kielbasa and other sausage from their Polish heritage, demand grew to the point where they moved to a shop on Jos. Campau in Hamtramck in the 1920s. A factory eventually opened on Holbrook in Hamtramck, which became the headquarters.

Besides American Axle & Manufacturing Inc., Kowalski has helped put Hamtramck on the national map by making world-record-sized kielbasas.

Another landmark, the giant neon red Kowalski sign, was erected on the Holbrook headquarters in 1956 when it underwent a major expansion.

Four generations of family members have run the company, which is headed by President Michael Kowalski and Linda Kowalski Jacob.

The brother and sister have not been afraid to change family traditions.

They fired workers who didn't work or had unclear job responsibilities, Jacob told The News in 1993.

A relocation of the company is bound to raise questions about the products, Herron said.

"Will a Kowalski not made in Hamtramck," he said, "taste the same?"

From The Detroit News: <http://detnews.com/article/20110108/BIZ/101080321/Growth-may-push-Kowalski-to-relocate#ixzz1AdkEXvhN>