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August 1, 2025

The Honorable City Council
City of Pawtucket
Pawtucket City Hall
137 Roosevelt Avenue
Pawtucket, RI 02860

Re: Tax Stabilization Agreement (the “TSA”)
1 Moshassuck Street, Assessor’s Plat 62, Lots 340 and 360

Dear Mr. Council President and Members of the Council:

On behalf of JK Equities, LLC (the “Developer”), we write to provide an update with respect to the development of the above-referenced property (such development hereafter being the “Project”) in light of recent concerns raised by Councilor Clovis C. Gregor during the City Council’s June 25, 2025 regular meeting and his recent letter dated July 31, 2025.

As an initial matter, respectfully, we feel compelled to respond to the unsupported and defamatory allegations raised by Councilor Gregor, which comments are actionable and unnecessarily injurious to the reputation of the Developer who has only acted in good faith. Contrary to his assertions, the Developer has maintained a high level of transparency with the City Council and has demonstrated its unwavering commitment to the Project and its investment in the City of Pawtucket. As reported to the Council in its June 24, 2025 quarterly update, the Developer closed on construction financing on June 6, 2025, and, prior to that, the Developer has made this Council regularly appraised as to its progress in securing construction financing during one of the most difficult real estate financing environments seen in decades.

Further contrary to Councilor Gregor’s assertions, the Developer is not in default on its obligations to its contractors, has not misrepresented its financial condition and, in fact, has been fully committed to, and has taken a proactive approach concerning, the development contemplated by the TSA in accordance with all requirements and applicable laws. To state otherwise is completely irresponsible and unfounded. We would be remiss to mention that Councilor Gregor has demonstrated an unfortunate pattern of making false statements about the Developer and the Project. At the City Council’s August 9, 2023 regular meeting, Councilman Gregor made unsupported allegations concerning environmental matters - those allegations were later determined to be false by the Rhode Island Department of Environmental Management. Despite the fact that there continue to be no violations whatsoever on the property or resulting from the project, Councilor Gregor has doubled down on this false narrative, subjecting himself and the City he represents to liability.



On May 27, 2025, the City of Pawtucket certified to the Developer in an Estoppel Certificate that Developer is in compliance with the TSA and that “there exists no state of facts which, with the passage of time or the giving of notice or both, would constitute a default on the part of Developer under the TSA.” Furthermore, as provided in the legal opinion dated July 2, 2025, issued to Councilor Gregor by the City of Pawtucket Office of the City Solicitor, the City Council has no authority to unilaterally rescind a tax stabilization agreement. Any action to rescind a duly authorized tax stabilization agreement will have a chilling effect on future development in the City of Pawtucket and will create uncertainty with respect to such agreements. Should the City Council take such unlawful action to rescind the TSA, this Firm will be forced to take appropriate counteraction on behalf of the Developer, including by filing a lawsuit against the City and the Council seeking, among other things, injunctive relief and compensatory damages for a breach of contract. Additionally, Councilor Gregor would face personal liability for his defamatory remarks toward our client. In fact, not only has the Developer relied on the Tax Stabilization Agreement and its terms, but so have multiple lenders and other parties that came together to make this project a reality for the City of Pawtucket – including the State of Rhode Island; a challenge to the TSA would affect the rights of such parties and legal action would likely be taken by those parties to protect their legal interests. In sum, engaging in resource-intensive civil litigation will benefit neither the City Council nor the Developer and should be avoided.

It is worth noting the adverse messaging this saber rattling by Councilor Gregor sends to those looking to invest in the City of Pawtucket and others looking to collaborate with the City. Any efforts to rescind a TSA - beyond being completely unlawful - would damage the City reputationally and to its efforts to attract others to invest in your community. Certainly, the Developer does not want to see this happen given its very significant investment in the City – a City it believes in and is excited to be a part of.¹

The Developer again emphasizes its commitment to the Project, the surrounding community, and excellence in construction practices. The Developer has consistently adhered to regulatory standards, including all standards applicable to environmental hazard mitigation, and is in compliance with building and property maintenance codes, as recognized by the City Solicitor in his July 2, 2025 letter to Councilor Gregor. Additionally, the Director of Zoning and Code Enforcement has opined that the Project meets all applicable requirements in the Pawtucket Zoning Ordinance. Councilor Gregor’s assault and defamatory statements accusing the Developer of being “recalcitrant and irresponsible” and which has “abused and violated the public trust, TSA ordinance expectations . . . , zoning rules and regulations as well as duties owed to the community” is an objectively false narrative and outrageous behavior by a public official representing the City of Pawtucket.

¹ We note that the Project at 1 Moshassuck Street is separate and apart from the proposed development of Morley Field located at 94 Moshassuck Street. The Councilor’s rhetoric has created confusion among the community as to the scope of the Project, as it appears from certain letters submitted to the City Council as public input for the City Council’s July 9, 2025 regular meeting that the two projects are being confused or conflated by the public, which is unfairly prejudicial to the Developer and the Project at this late stage in development. Councilor Gregor continues this confusion in his July 31 letter where he states that the Project involves the removal of a youth athletic field and public recreational greenspace.



Although the Developer must continue to respond to these baseless attacks by one uninformed Councilor, Developer remains committed to its partnership with the City and the Council. We look forward to discussing this with you at your August 6, 2025 City Council meeting.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Kelley Morris Salvatore', with a vertical line extending downwards from the end of the signature.

Kelley Morris Salvatore, Esq.
Partner

Cc: The Honorable Donald R. Grebien, Mayor
Frank J. Milos, Jr., Esquire, City Solicitor
JK Equities, LLC
Chris Fragommeni, Esq. – Counsel for Commerce RI
Zachary G. Darrow, Esq.