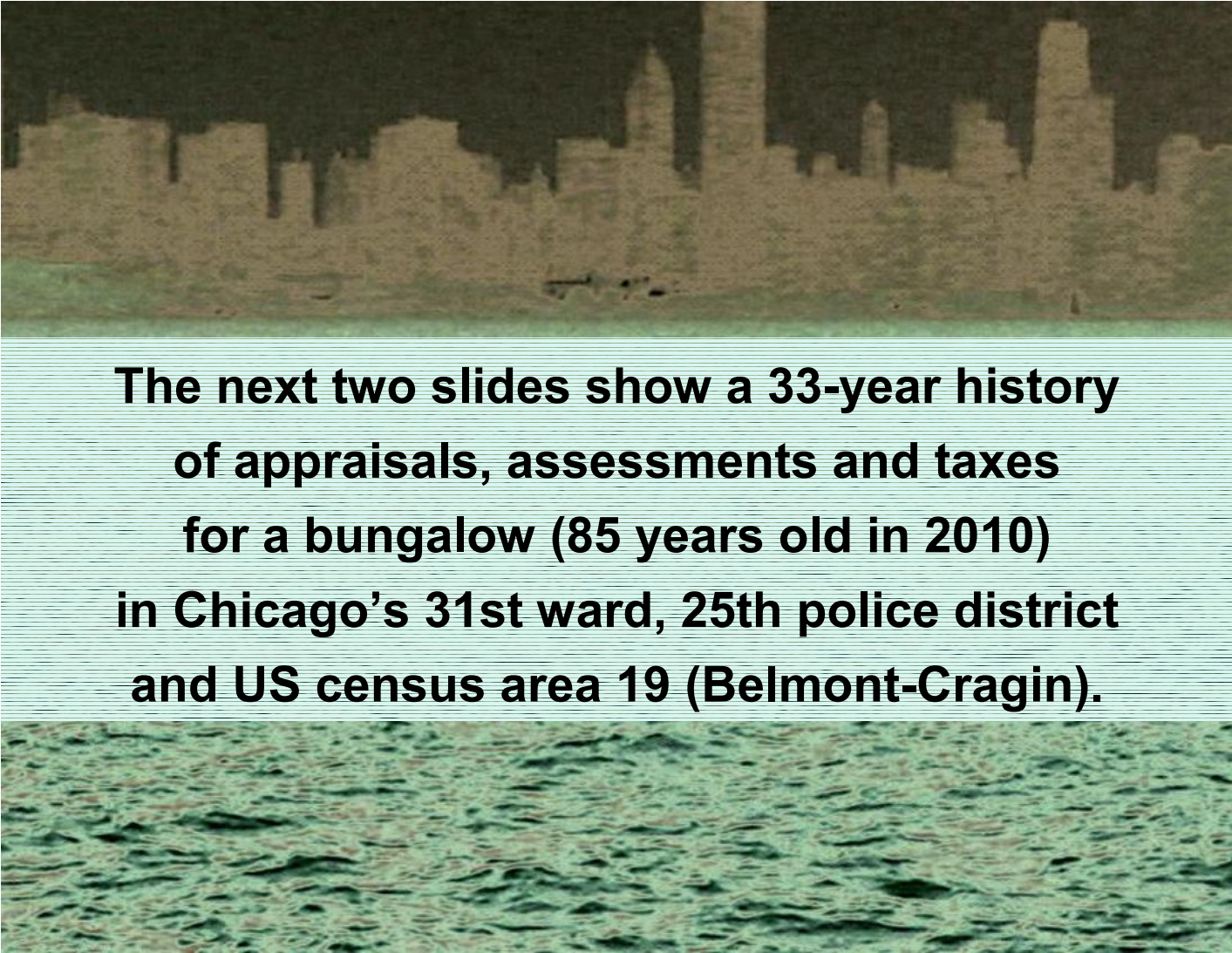


**INFLATION UP  
INDUSTRIALS DOWN  
PART A**

Background: Chicago skyline from Planetarium promontory.

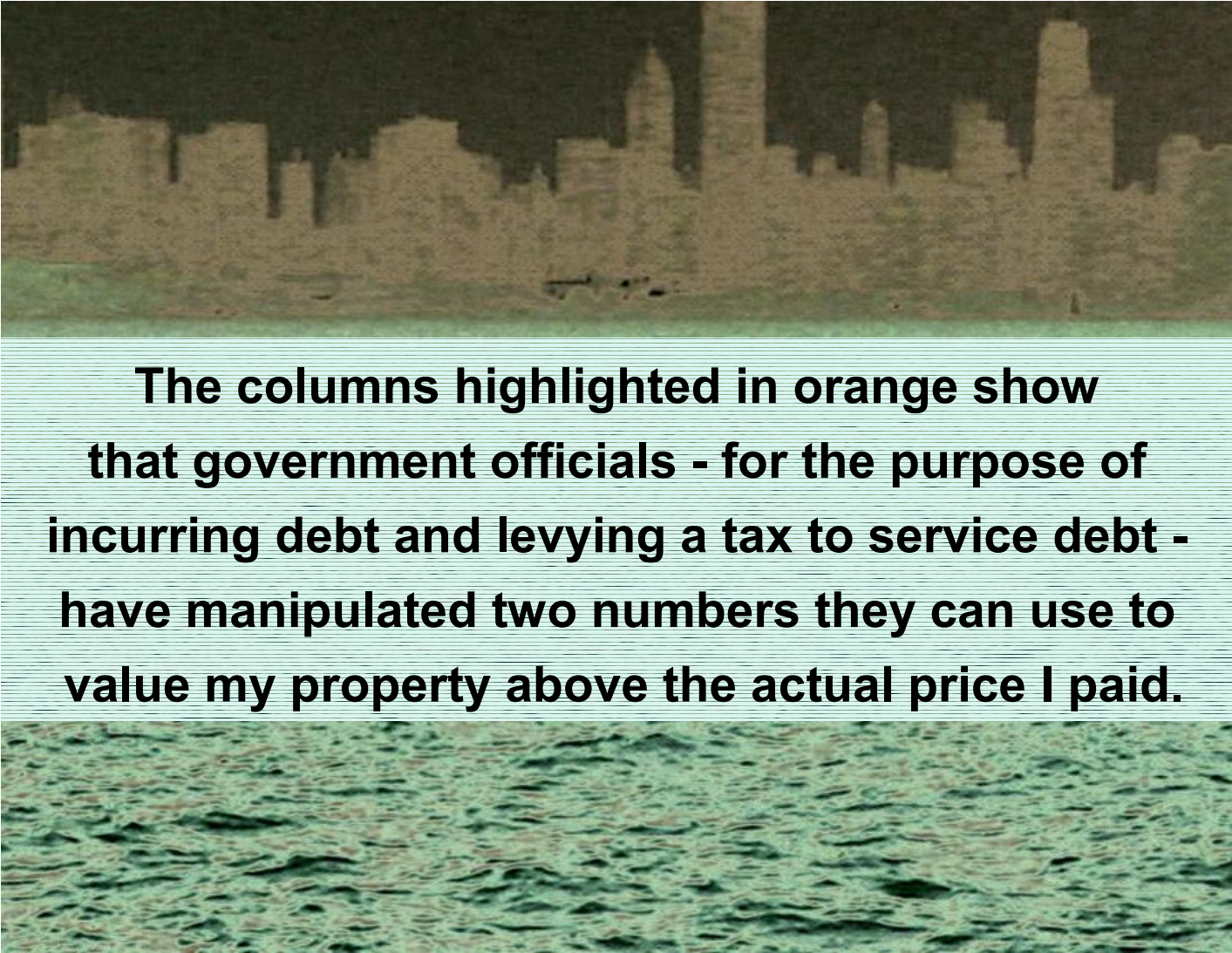


**The next two slides show a 33-year history  
of appraisals, assessments and taxes  
for a bungalow (85 years old in 2010)  
in Chicago's 31st ward, 25th police district  
and US census area 19 (Belmont-Cragin).**

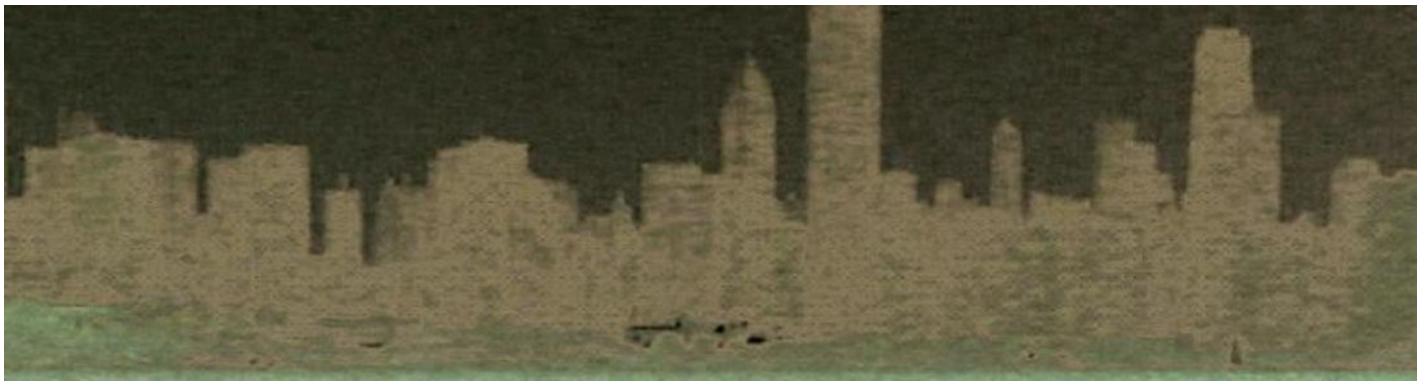


year	all tax paid	school tax percent	general tax paid	schools tax paid	Chicago school finance authority	Chicago Board of Education	Chicago school building fund	full tax	total exemptions	homeowner exemption	long-time homeowner exemption	elderly & disabled homestead exemption
1976	548							unknown		yes	na	yes
1977	685	41%	403	282		282		unknown		yes	na	no
1978	688	41%	409	280		280		unknown		yes	na	no
1979	750	37%	473	277		277		848	99	yes	na	no
1980	748	42%	430	318	43	275	(1)	921	173	yes	na	no
1981	846	41%	495	350	45	305		1,132	286	yes	na	no
1982	939	42%	547	392	35	357		1,241	302	yes	na	no
1983	877	42%	509	368	39	330		1,229	351	yes	na	no
1984	843	41%	494	350	41	309		1,199	356	yes	na	no
1985	841	43%	478	363	41	322		1,181	340	yes	na	no
1986	924	40%	551	373	36	337		1,286	362	yes	na	no
1987	890	42%	513	376	28	348		1,228	338	yes	na	no
1988	1,305	41%	774	531	35	496		1,652	347	yes	na	no
1988	1,305	41%	774	531	35	496		1,652	347	yes	na	no
1989	1,344	42%	779	566	33	533		1,706	361	yes	na	no
1990	1,384	44%	768	616	33	583		1,737	353	yes	na	no
1991	1,698	47%	899	799	37	762		2,121	423	yes	na	no
1992	1,763	47%	940	823	35	788		2,192	430	yes	na	no
1993	1,803	47%	952	851	29	822		2,230	427	yes	na	no
1994	1,761	48%	923	839	50	789		2,180	419	yes	na	no
1995	1,788	48%	922	866	56	810		2,210	422	yes	na	no
1996	1,837	49%	943	893	56	837		2,264	427	yes	na	no
1997	1,900	49%	967	932	58	875		2,299	399	yes	na	no
1998	1,937	50%	970	967	58	909		2,337	400	yes	na	no
1999	1,936	51%	950	987	58	929		2,321	385	yes	na	no
2000	2,447	50%	1,213	1,235	70	1,165		2,892	445	yes	yes	no
2001	2,415	52%	1,171	1,244	70	1,174		2,964	549	4500 (1)	2637 (1)	no
2002	2,285	51%	1,112	1,173	56	1,117		2,998	713	yes	yes	no
2003	2,401	51%	1,173	1,228	56	1,172	(2)	3,636	1,235	yes	na	no
2004	2,507	52%	1,198	1,309	71	1,238		3,716	1,209	yes	na	no
2005	2,557	53%	1,210	1,347	54	1,293		3,754	1,197	yes	na	no
2006	2,877	53%	1,351	1,526	64	1,462		5,000	2,122	yes	na	no
2007	2,443	54%	1,136	1,307	44	1,262	(3) (2008)	4,946	2,504	yes	na	no
2008	2,521	53%	1,175	1,346	0	1,293	53	4,996	2,476	yes	na	no
2009	2,591	54%	1,205	1,387	0	1,324	63	5,095	2,504	yes	na	no
2010												
					(1) total school tax is unclear because tax bill lists two related line items separately.					(1) tax bill lists exemption calculated on EAV instead of gross tax.		
					(2) total school tax is somewhat clear because tax bill lists two related line items together.							
					(3) 2008 total school tax is unclear because tax bill lists three line items in two different categories.							

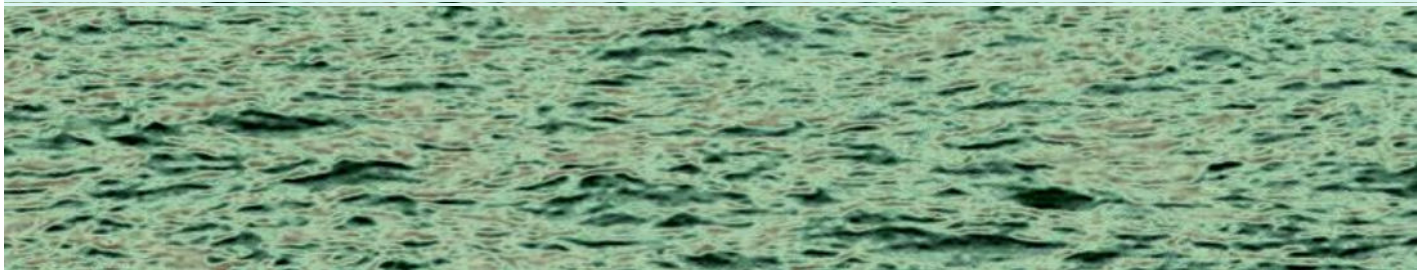




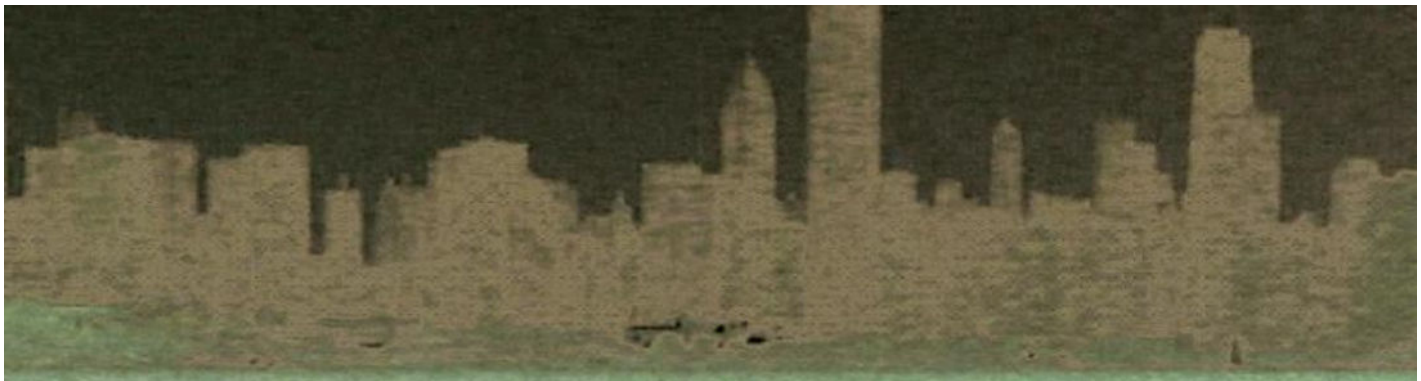
**The columns highlighted in orange show that government officials - for the purpose of incurring debt and levying a tax to service debt - have manipulated two numbers they can use to value my property above the actual price I paid.**



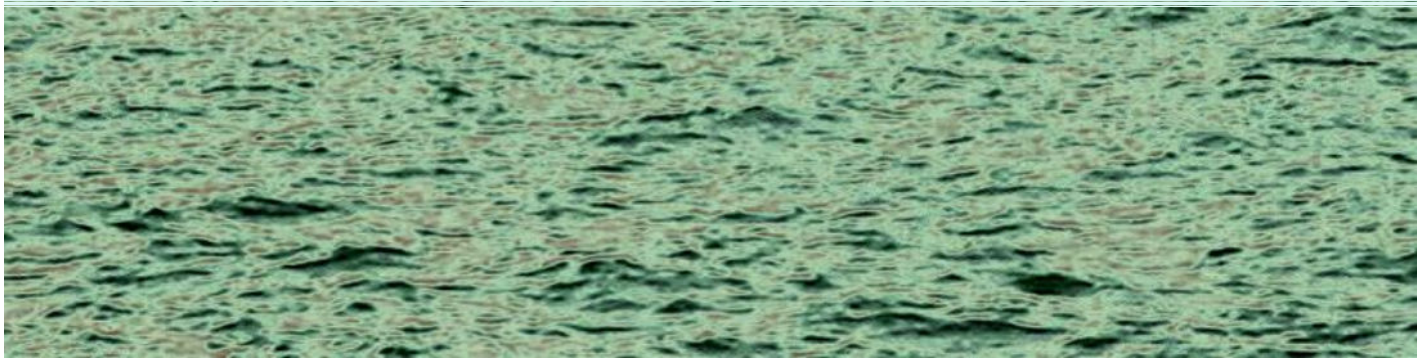
**The two manipulations for all properties in an area depend on the values that sellers, real estate agents, buyers and mortgage lenders establish on the few properties that actually sell in the area.**

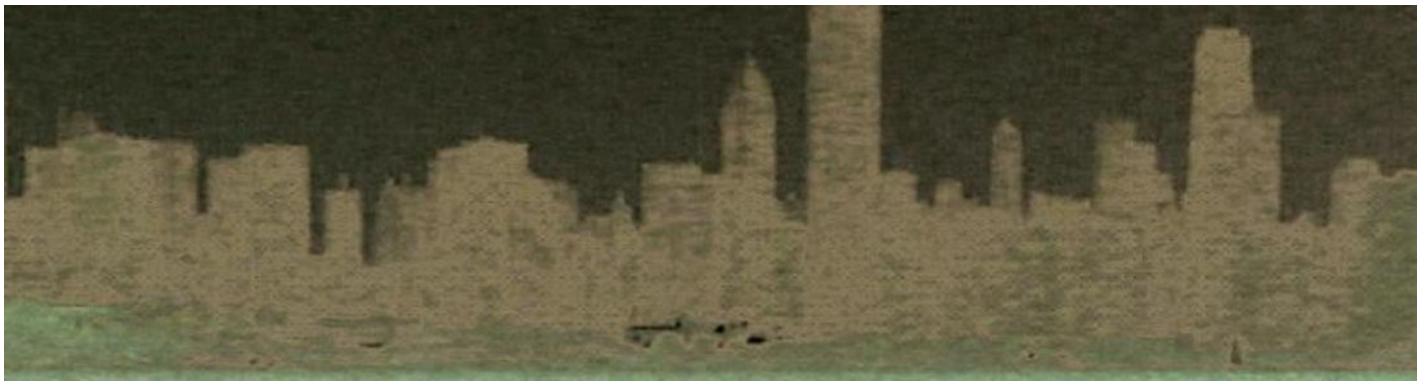




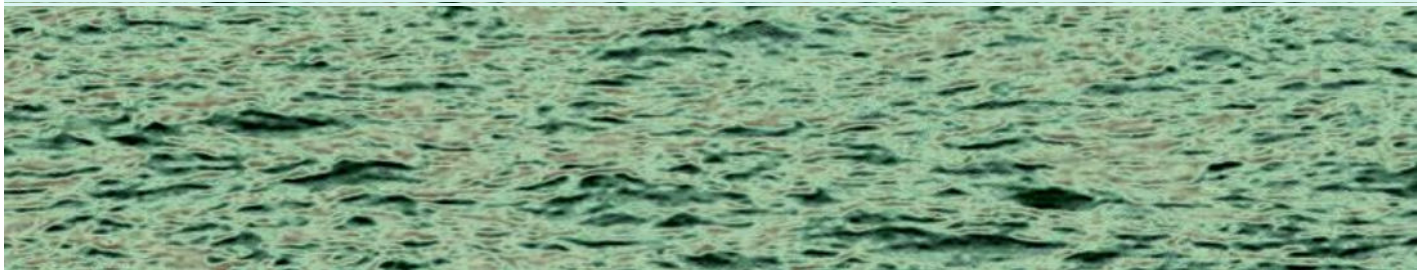


**People who establish the value of a few properties  
in an area - with the exception of the buyer -  
have a personal financial interest  
in the inflation of values.**

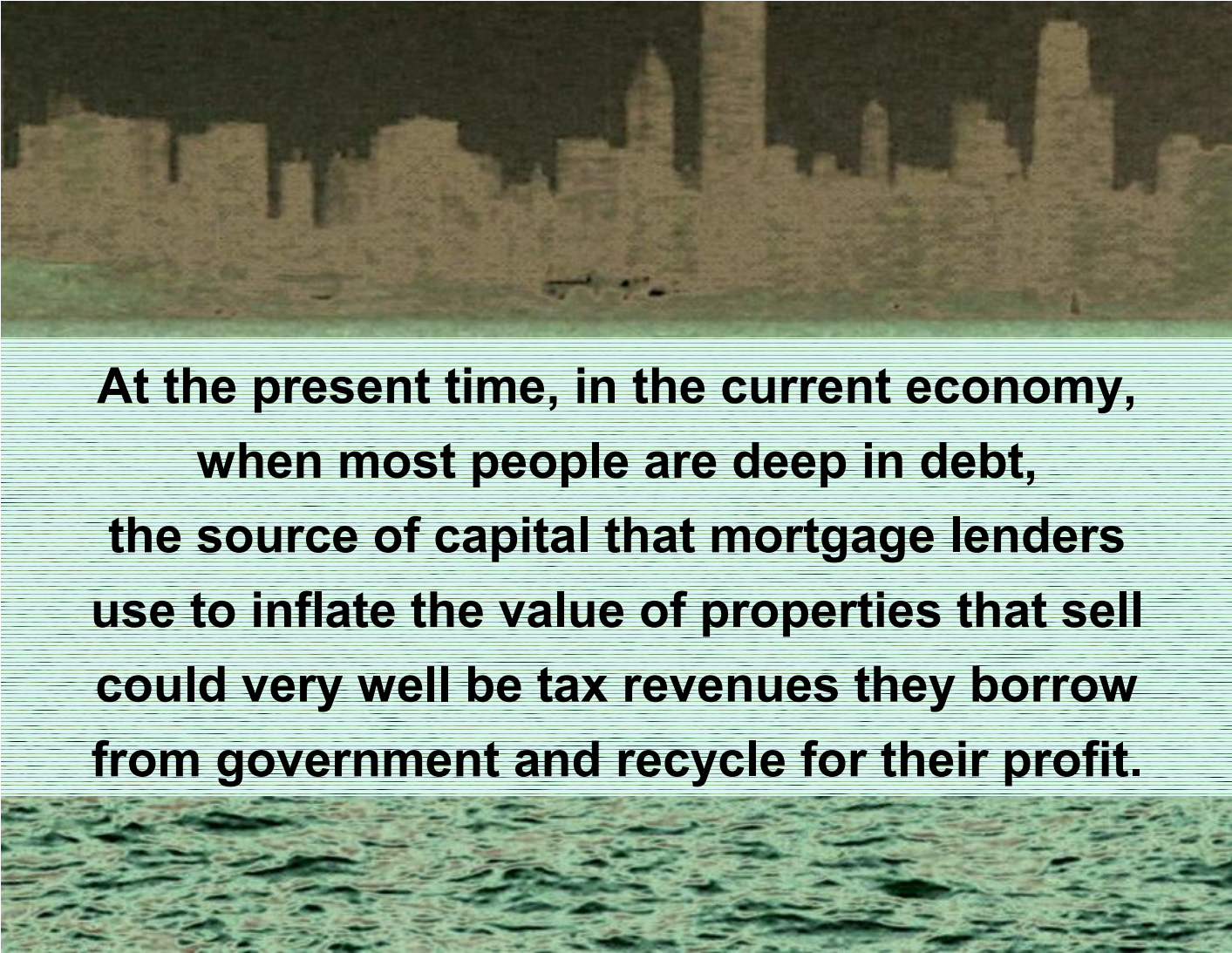





**Politicians and the people who buy government debt, as well as people who get government jobs and contracts, also have a personal financial interest in the inflated valuation of the few properties that sell in an area.**





A photograph of a city skyline at night, with buildings illuminated against a dark sky. The skyline is reflected in the water in the foreground, which has a greenish tint. The text is overlaid on the middle section of the image.

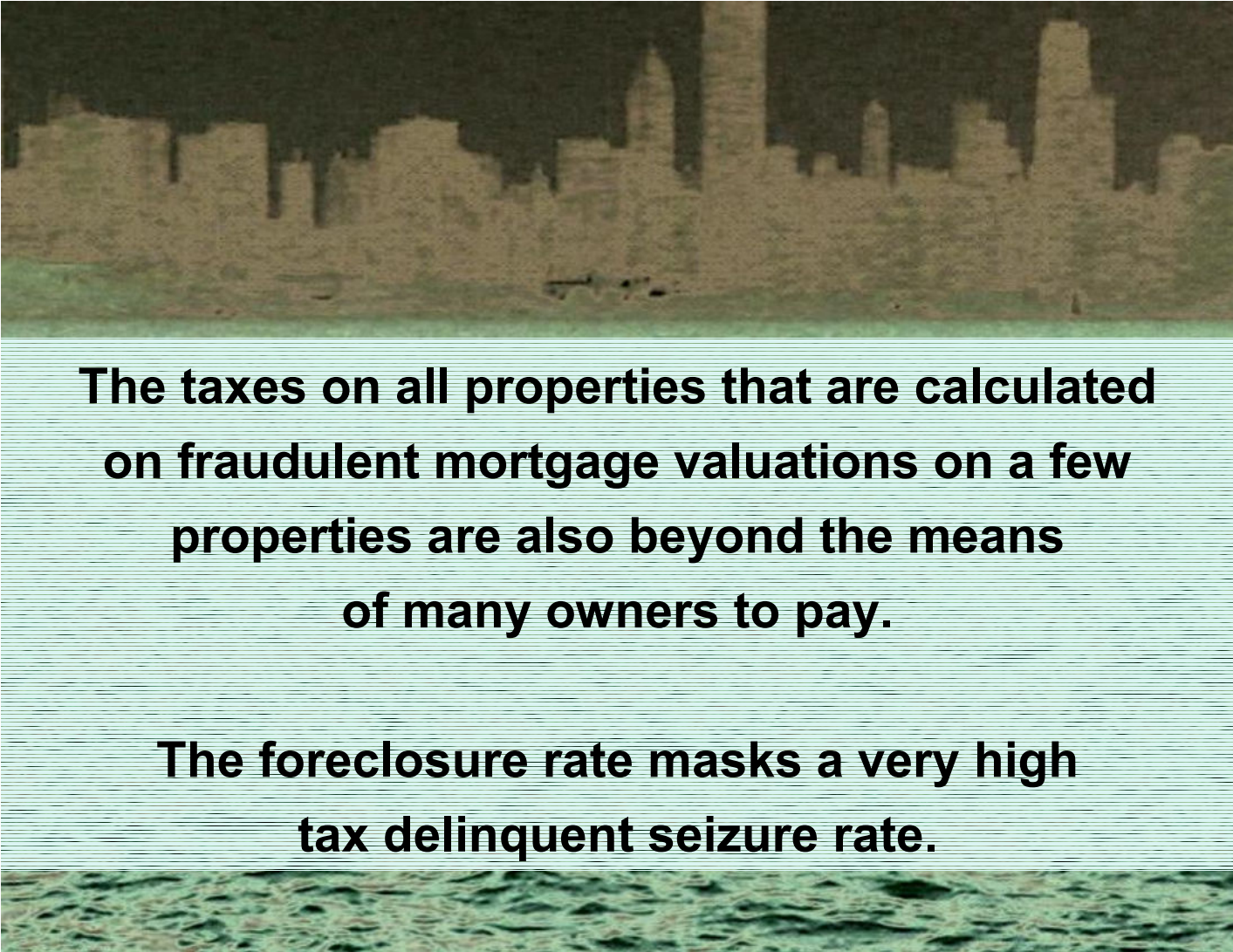
**At the present time, in the current economy,  
when most people are deep in debt,  
the source of capital that mortgage lenders  
use to inflate the value of properties that sell  
could very well be tax revenues they borrow  
from government and recycle for their profit.**



**But the values are entirely fraudulent,  
because most buyers can't afford the payments.**

**The foreclosure rate is high, and would be higher  
without tax-financed government assistance.**

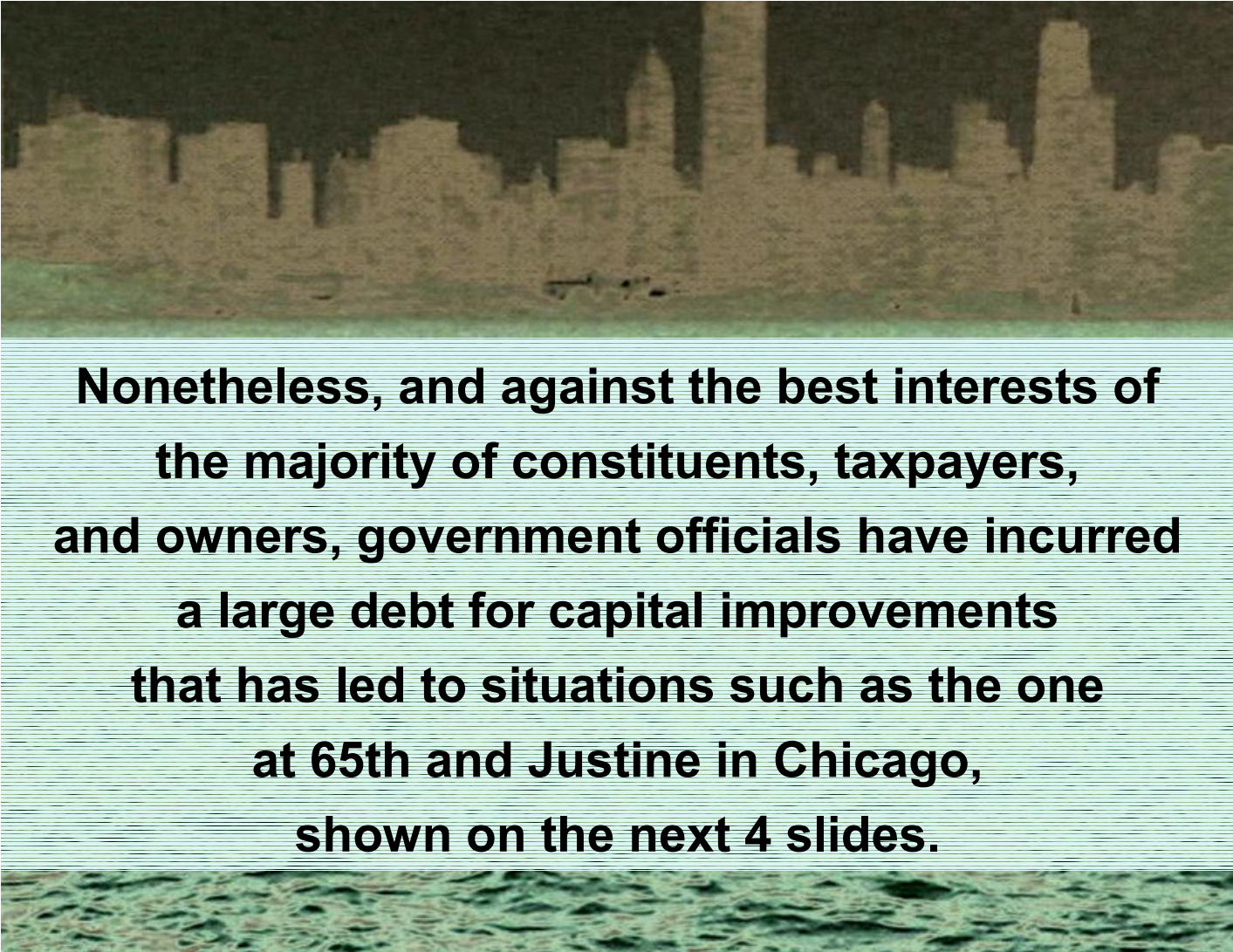




**The taxes on all properties that are calculated on fraudulent mortgage valuations on a few properties are also beyond the means of many owners to pay.**

**The foreclosure rate masks a very high tax delinquent seizure rate.**





**Nonetheless, and against the best interests of the majority of constituents, taxpayers, and owners, government officials have incurred a large debt for capital improvements that has led to situations such as the one at 65th and Justine in Chicago, shown on the next 4 slides.**





Justine 6500S. Chicago, Illinois.



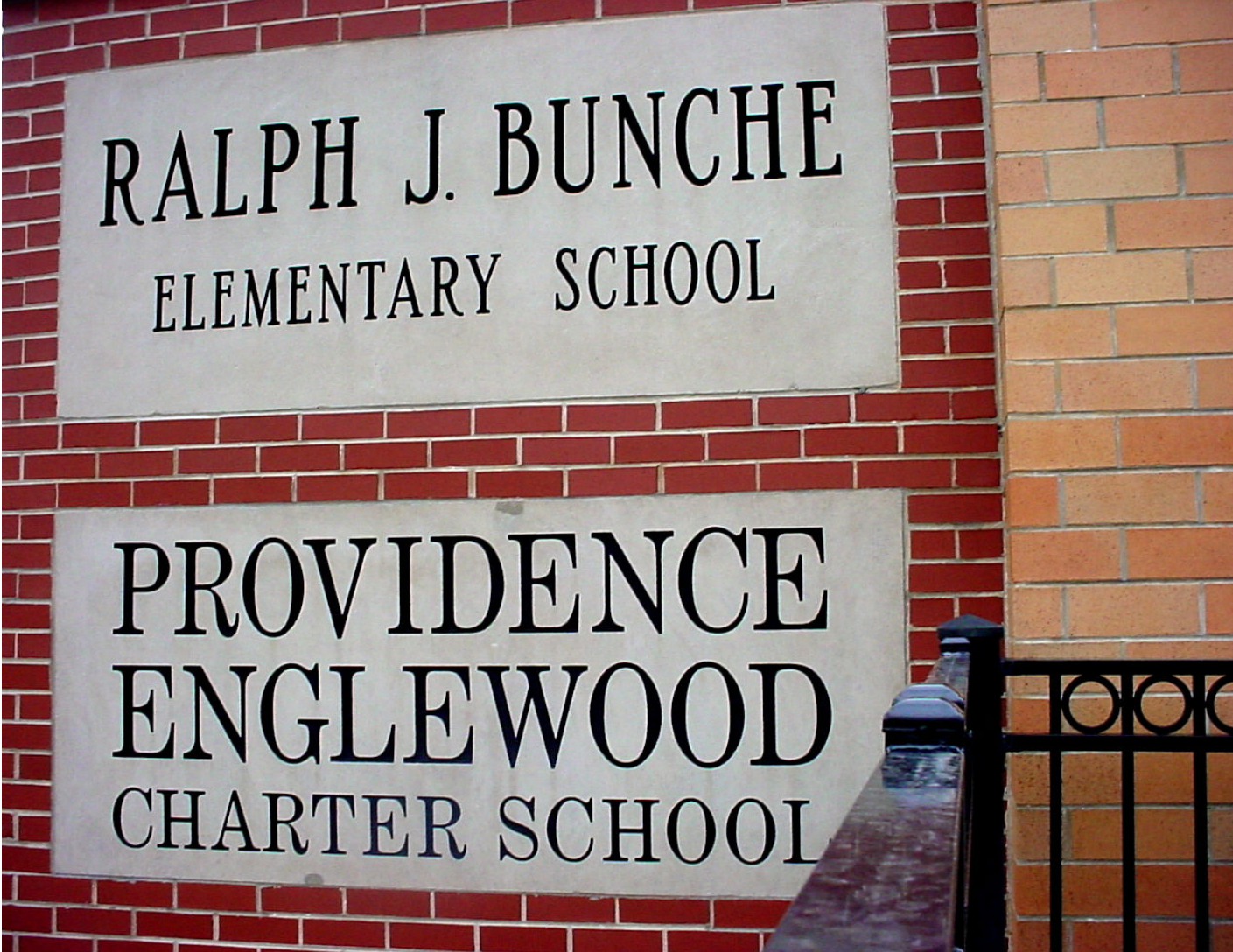


Justine 6500S. Chicago, Illinois.





Justine 6500S. Chicago, Illinois.



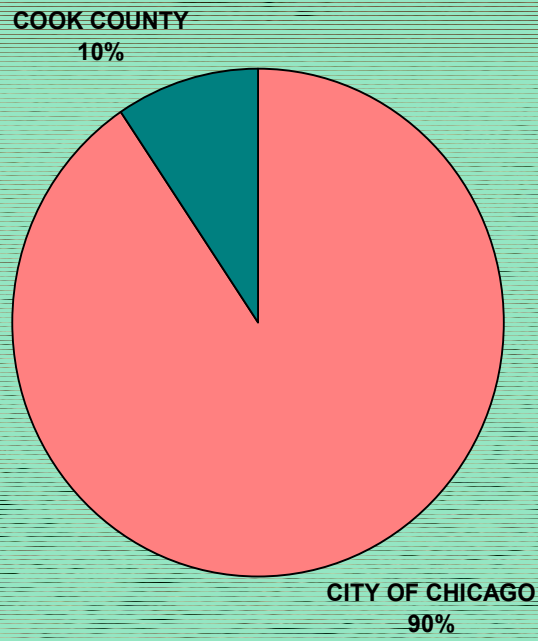
RALPH J. BUNCHE  
ELEMENTARY SCHOOL

PROVIDENCE  
ENGLEWOOD  
CHARTER SCHOOL

Justine 6500S. Chicago, Illinois.



**2010 FOR 2009 PROPERTY TAX DISTRIBUTION  
CHICAGO AND COOK COUNTY SHARES**



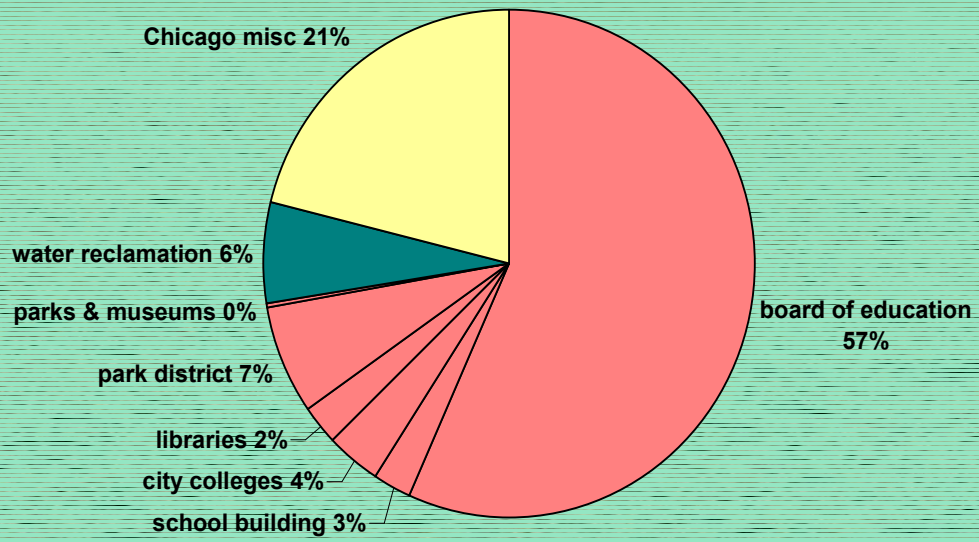
**2010 FOR 2009  
PROPERTY TAX DISTRIBUTION  
FOR EACH \$100 OF TAX BILL**

**CITY: CHICAGO \$90.44**

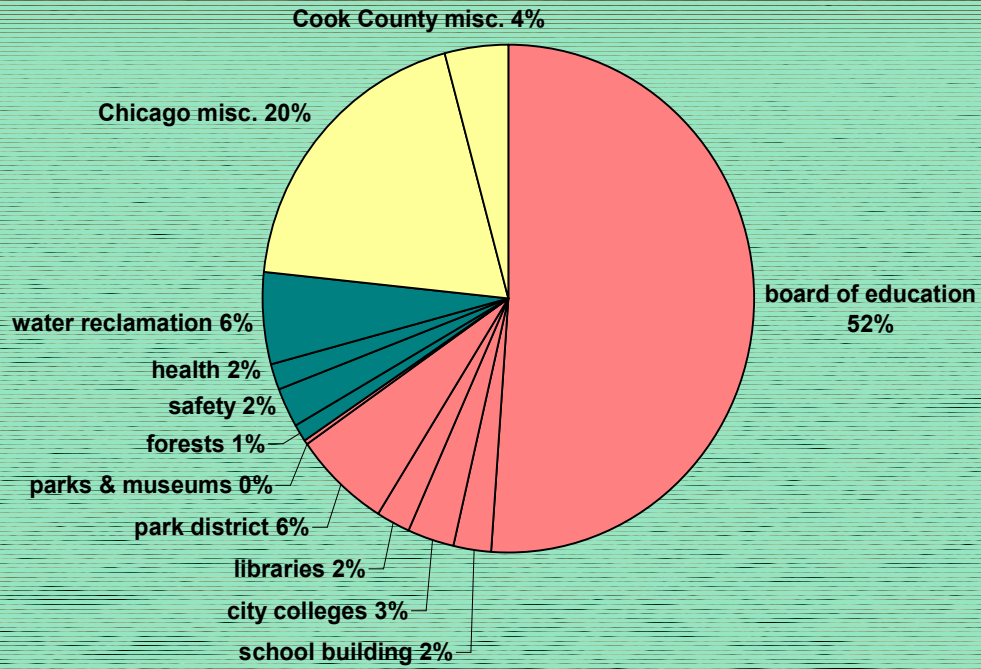
**COUNTY: COOK \$9.56**

<b>schools</b>	<b>\$ 56.75</b>	<b>board of education</b>	<b>\$ 51.09</b>	<b>misc.</b>	<b>\$ 4.23</b>
		<b>community colleges</b>	<b>\$ 3.24</b>	<b>safety</b>	<b>\$ 2.46</b>
		<b>school building</b>	<b>\$ 2.42</b>	<b>health</b>	<b>\$ 1.81</b>
				<b>forests</b>	<b>\$ 1.06</b>
<b>school overlap</b>	<b>\$ 8.81</b>	<b>park district</b>	<b>\$ 6.37</b>		
		<b>libraries</b>	<b>\$ 2.14</b>		
		<b>parks &amp; museums</b>	<b>\$ 0.30</b>		
<b>other</b>	<b>\$ 24.88</b>	<b>misc.</b>	<b>\$ 19.15</b>		
		<b>water reclamation</b>	<b>\$ 5.64</b>		
		<b>home equity insurance</b>	<b>\$ 0.09</b>		
<b>TOTAL</b>	<b>\$ 90.44</b>				<b>\$ 9.56</b>

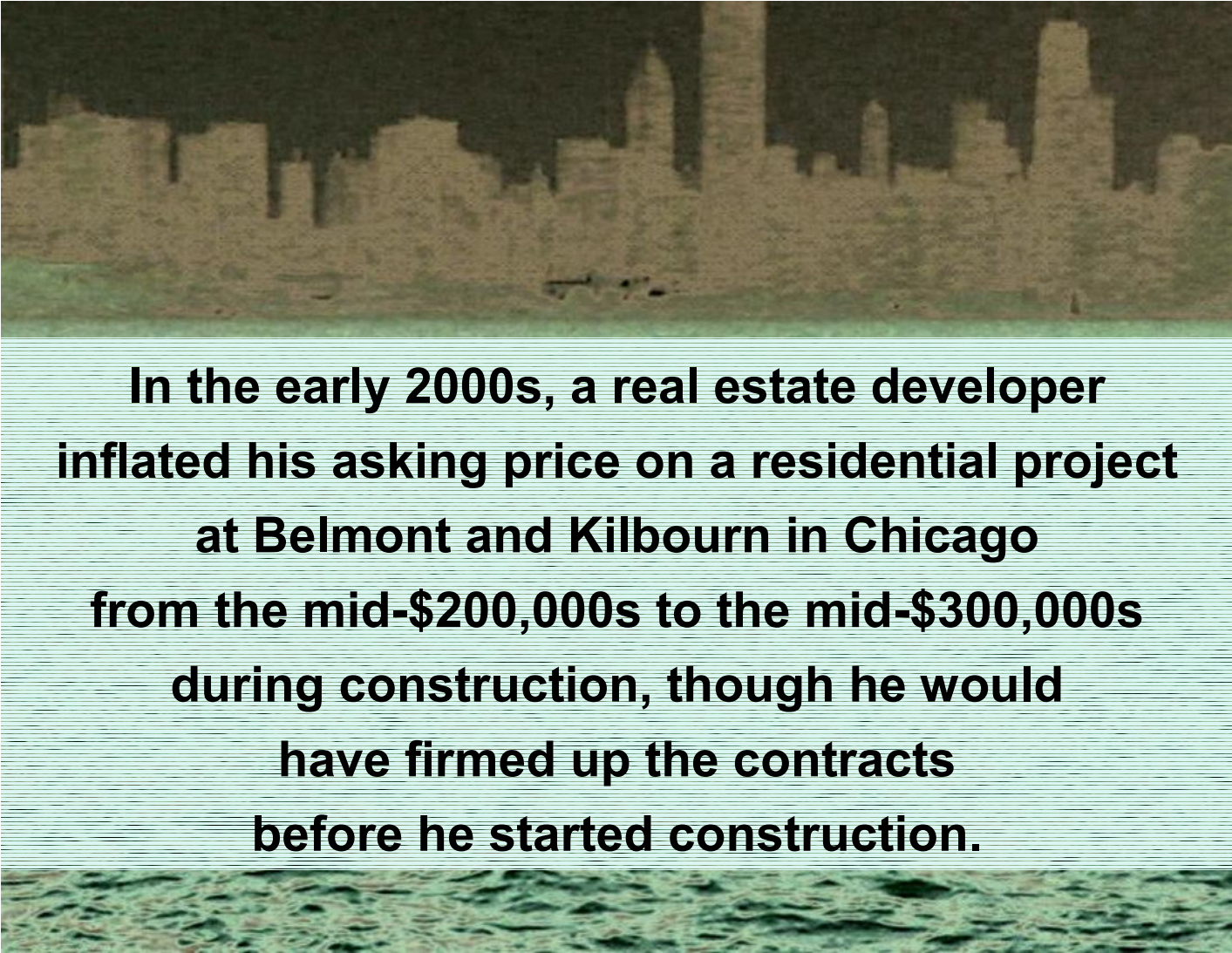
**2010 FOR 2009 PROPERTY TAX DISTRIBUTION  
CHICAGO**



**2010 FOR 2009 PROPERTY TAX DISTRIBUTION  
CHICAGO & COOK COUNTY**





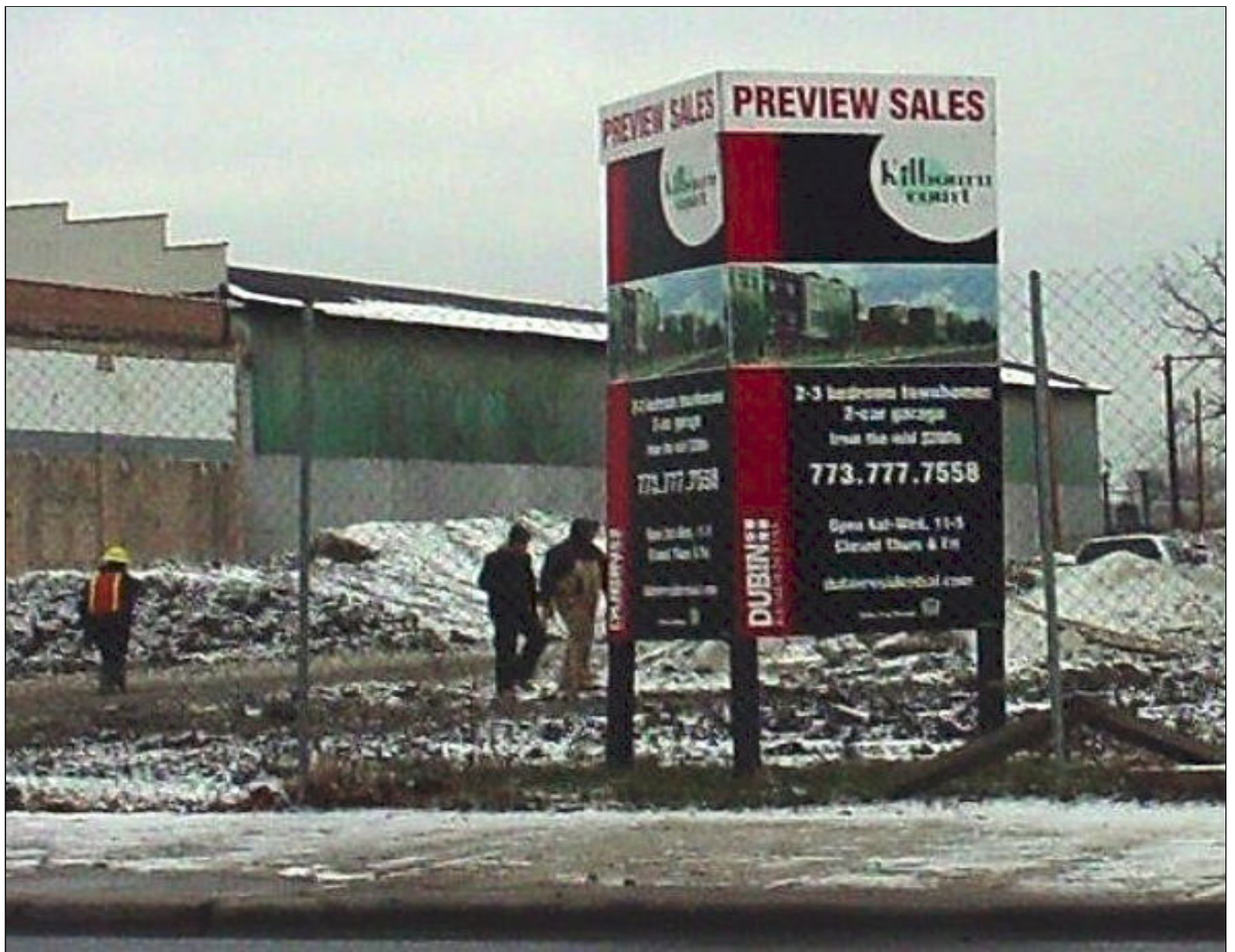


**In the early 2000s, a real estate developer inflated his asking price on a residential project at Belmont and Kilbourn in Chicago from the mid-\$200,000s to the mid-\$300,000s during construction, though he would have firmed up the contracts before he started construction.**



Townhomes priced mid-\$200s.





Townhomes priced mid-\$200s.





Same townhomes, same day, newer sign priced upper-\$200s.



Same townhomes, different day, newer sign priced lower \$300s. The developer worked out the contracts before he started the project.



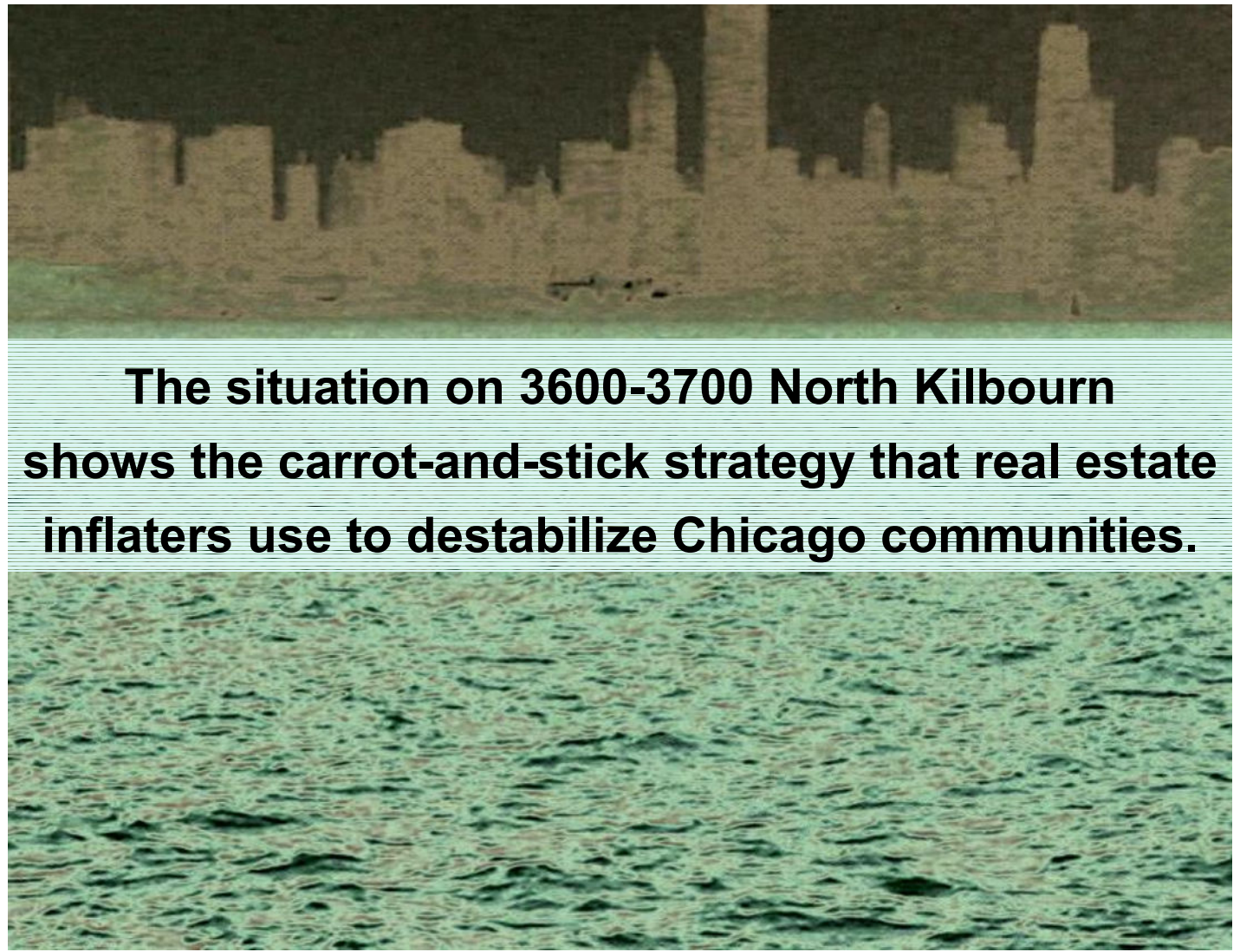


Same townhomes, different day, newer sign priced mid \$300s. And that's the closeout price!




A photograph showing a city skyline across a body of water. The skyline consists of several tall, rectangular buildings of varying heights. The water in the foreground is dark and has a textured, rippled surface. The sky is dark, suggesting it might be dusk or dawn.

**After the new housing project was completed on the 3600 block of Kilbourn in the mid-2000s, six houses on the 3700 block of Kilbourn were on the market in the late-2000s on a single sample day.**



**The situation on 3600-3700 North Kilbourn shows the carrot-and-stick strategy that real estate inflaters use to destabilize Chicago communities.**



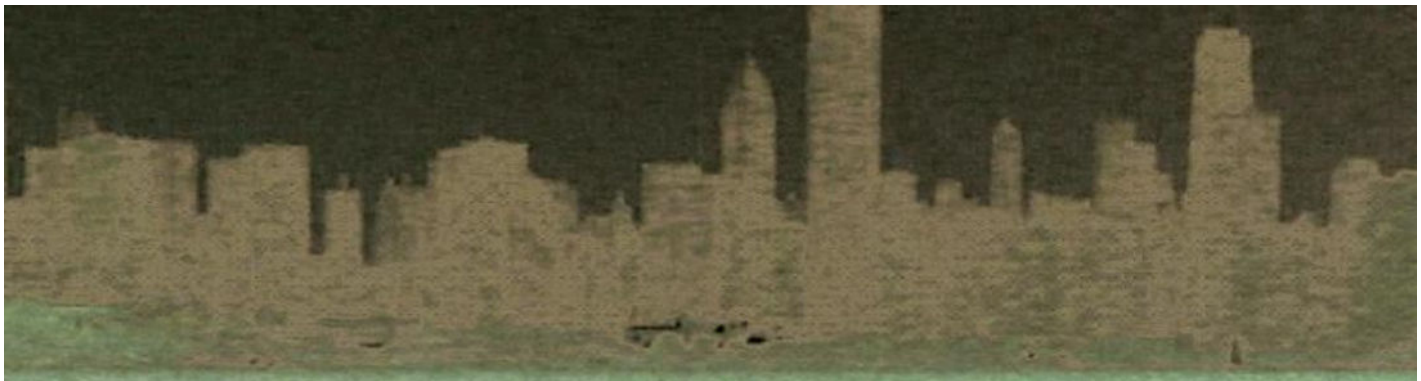
**The price of new houses may have been used to  
inflate the assessment of old houses.**

**Dollar signs lit up in the eyes of some owners.**

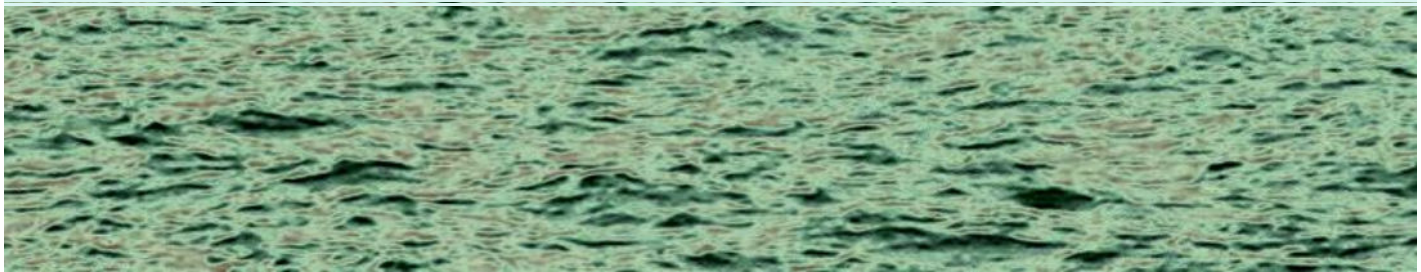
**Other owners were unable to pay the taxes.**

**New inhabitants may have stressed the  
infrastructure of sewers, streets and other  
services for old inhabitants.**





**The result of inflation as a carrot-and-stick community destabilizer is a maximum instead of a minimum number of inhabitants deep in debt for shelter and easy to corrupt against the best interests of the community.**





Townhomes built, sold, and occupied.





2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?





2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?





2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?





2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?



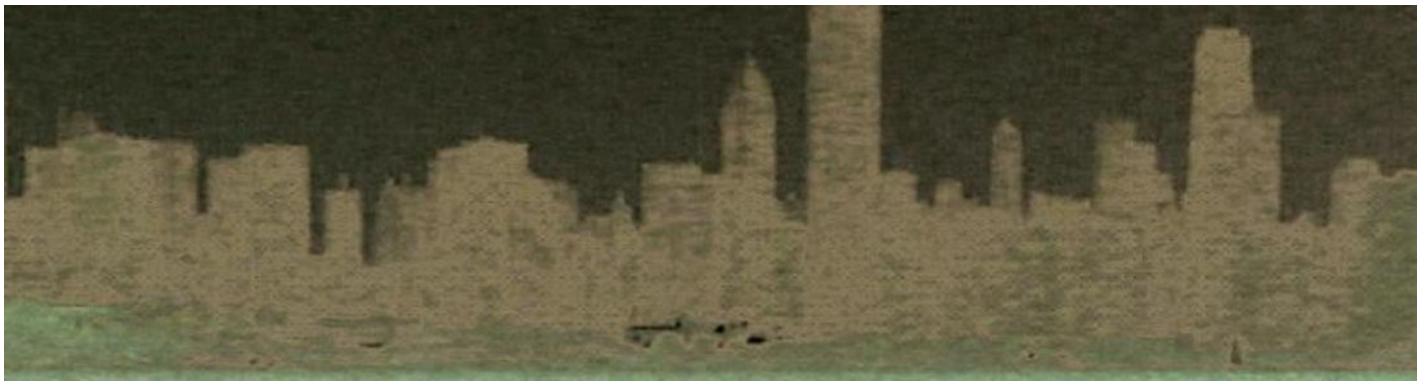


2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?





2008 July 12. Six houses for sale, first block north of new townhomes. Why? Traffic jams? Sewer backups? Low water pressure? Higher taxes calculated on inflated townhome selling prices?



**The Dubins are one of many developers and other entities that convert Chicago properties from productive industrial use to unproductive residential, social, religious, and storage use.**

**The conversions beg the question:  
Where does the money come from to pay  
the inflated cost of shelter?**











2005-07-28. Shoemaker lofts, planning phase. Diversey Avenue 3900W. Conversion of industrial to records storage to residential. (one building in Florsheim Shoe Co complex.). Conversion generates property taxes, but subtracts from jobs to pay them.





2007-08-27. Shoemaker Lofts, marketing phase. Ad located on wall at Belmont and Cicero (4800 west, 3200 north). Chicago, Illinois.



**the SHOEMAKERLOFTS**

From Mid **\$200s** To Low **\$400s**

**LOFTS CONDOS**

- 11 Foot Ceilings
- Hardwood Floors
- Granite Counter tops
- Appliances
- Exposed Brick
- Fitness Center
- Roof Deck
- Conorman

2007-08-27. Shoemaker Lofts, marketing phase. Ad located on wall at Belmont and Cicero (4800 west, 3200 north). Chicago, Illinois.



2005-03-04. Embellishment on former industrial building, west loop. Most industrial buildings have been demolished or converted to residential. Peoria Street 315S, Chicago, Illinois.





2005-06-10. Industrial corridors have spread in all directions across Chicago, but no industry is visible to support the hype.



2005-06-10. High employment industrial building converted to low employment storage facility. Cermak Road 4550W, Chicago, Illinois.





2005-03-15 Ogden 4400W, Chicago, Illinois



2009-05-21. Ogden 4400W, Chicago, Illinois





2009-05-21. Ogden 4400W, Chicago, Illinois





2009-05-21. Ogden 4400W, Chicago, Illinois





2009-05-21. Ogden 4400W, Chicago, Illinois



2005-02-12. Industrial building converted to storage. Elston Ave 2000N, Chicago, Illinois





2005-06-10. Industrial building converted to storage facility. Fullerton Avenue 4100W, Chicago, Illinois.



2004-08-25. Industrial and warehouse conversion to residential, hopefully. Jefferson Street 1900S, Chicago, Illinois.





2004-10-02. Industrial/ warehouse to residential conversion. May Street 312N (water tower in background), Chicago, Illinois.



2005-03-23. Industrial/ warehouse to residential conversion. Fulton Street 541W, Chicago, Illinois.





2003-03-23. Industrial/warehouse to residential conversion. Clybourn Avenue 1900N, Chicago, Illinois.



2005-06-29. Industrial park to townhome conversion. Racine Avenue 3300S, Chicago, Illinois. People are paying a lot of money to live in Dogpatch.





2004-08-25. Industrial/warehouse to residential and artist lofts conversion. Halsted Street 1932 S. (water tower in background), Chicago, Illinois.



2005-03-23. Industrial/ warehouse conversions to residential and storage facilities. Lake Street 730W, Chicago, Illinois.





2005-03-23. Business to residential conversion (Executive Building with water tower on roof). 21st Street 125E, Chicago, Illinois.



2005-03-23. Business to residential conversion (Executive Building with water tower on roof). 21st Street 125E, Chicago, Illinois.





2005-03-06. Wholesale food market converted to residential. Loft buyers will get a property tax break. Blue Island 1360S, Chicago, Illinois.



2005-06-10. Industrial to social service office conversion. Augusta Street 4501W, Chicago, Illinois.





2005-06-10. Industrial to religious conversion. Diversey Avenue 4301W, Chicago, Illinois.



2005-06-10. Industrial to social services and religious conversion (Bethesda Centro Cristiano). Fullerton Avenue 4536W, Chicago, Illinois.