PALMVIEW MUNICIPAL DEVELOPMENT DISTRICT

ANNUAL ADOPTED BUDGET

Fiscal Year 2026-2027

October 1, 2026 through September 30, 2027

BOARD OF DIRECTORS

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PALMVIEW, TEXAS

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WHO WE ARE

Purpose Statement and Responsibility



In Texas, a Municipal Development District is a special-purpose district created to generate economic development and growth opportunities within the boundaries of the district.

The Palmview Municipal Development District (PMDD) is the economic development arm of the City of Palmview. One of its core responsibilities is to research, develop, and prepare an Economic Development Plan for the City, including the proposed methods of carrying it out and the expected costs.

The PMDD works to create jobs, attract investment, and recruit businesses to Palmview. The District also supports the City on major infrastructure projects that prepare the community for new business development.

½¢
Sales tax dedicated to economic development

$825,000
Approximate annual budget

Main Street
Signature development project supported by the PMDD

OUR RESPONSIBILITIES

- Job creation
- New investment
- Business recruitment
- Infrastructure support

History of the District

August 20, 2013

The City of Palmview City Commission approved the following ordinances:

Ordinance 2013-07. An order calling an election to terminate the Palmview Economic Development Corporation and approve the creation of a new Municipal Development District.

Ordinance 2013-08. An order calling an election to create a new Municipal Development District.

November 5, 2013

Voters approved the creation of the Palmview Municipal Development District. The PMDD was established as the economic development arm of the City, charged with creating jobs, recruiting businesses, and investing in development projects.

November 15, 2013

Resolution 2013-01 transferred the USDA Program from the Economic Development Corporation to the City of Palmview.

January 24, 2018

The PMDD Board approved the transfer and assignment of the USDA Program from the City to the PMDD.

October 2018

The PMDD purchased the former Greg's property for infrastructure improvements as a development project.

December 2020

Bonds were issued for $1.84 million to pay off the property, with proceeds allocated to the Main Street Development Project.

April 2021

Demolition of the historic Greg's building began, officially starting construction of the Main Street Development Project.

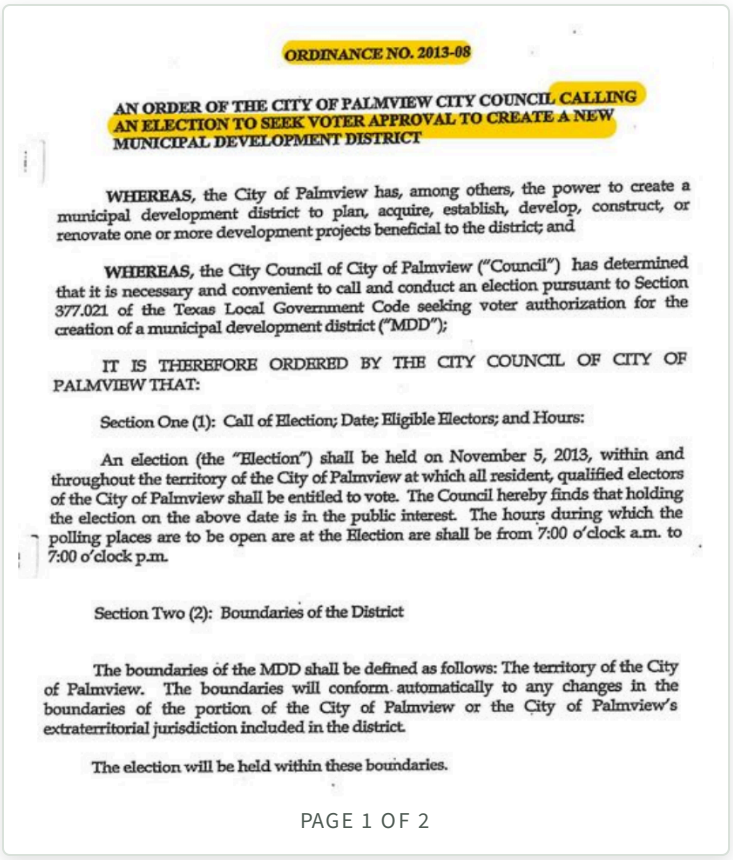
July 2024

The Main Street Development Project was completed, and offsite improvements began to support Main Street infrastructure.

FOUNDING DOCUMENT

Ordinance No. 2013-08

An order of the City of Palmview City Council calling an election to seek voter approval to create a new Municipal Development District.



ORDINANCE NO. 2013-08

AN ORDER OF THE CITY OF PALMVIEW CITY COUNCIL CALLING AN ELECTION TO SEEK VOTER APPROVAL TO CREATE A NEW MUNICIPAL DEVELOPMENT DISTRICT

WHEREAS, the City of Palmview has, among others, the power to create a municipal development district to plan, acquire, establish, develop, construct, or renovate one or more development projects beneficial to the district; and

WHEREAS, the City Council of City of Palmview ("Council") has determined that it is necessary and convenient to call and conduct an election pursuant to Section 377.021 of the Texas Local Government Code seeking voter authorization for the creation of a municipal development district ("MDD");

IT IS THEREFORE ORDERED BY THE CITY COUNCIL OF CITY OF PALMVIEW THAT:

Section One (1): Call of Election; Date; Eligible Electors; and Hours:

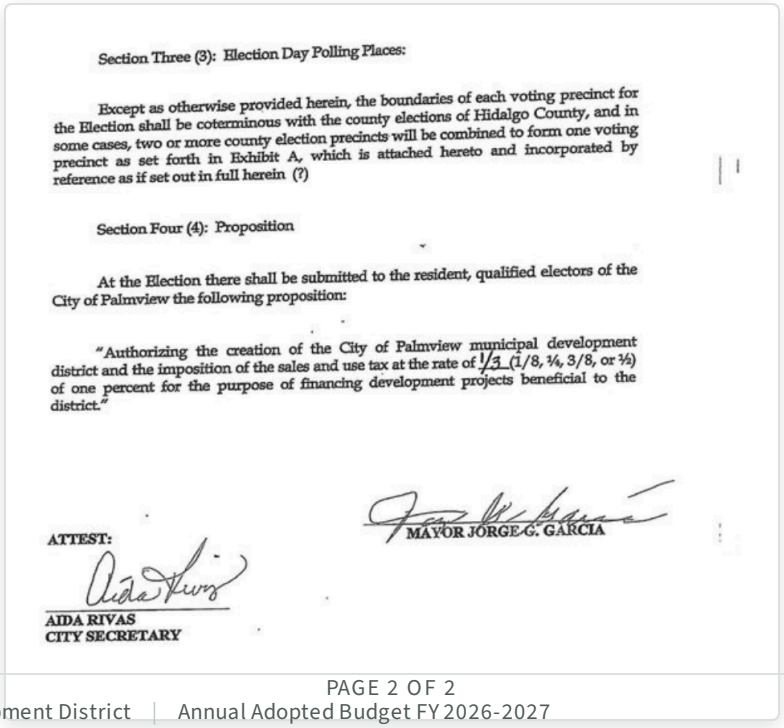
An election (the "Election") shall be held on November 5, 2013, within and throughout the territory of the City of Palmview at which all resident, qualified electors of the City of Palmview shall be entitled to vote. The Council hereby finds that holding the election on the above date is in the public interest. The hours during which the polling places are to be open are at the Election are shall be from 7:00 o'clock a.m. to 7:00 o'clock p.m.

Section Two (2): Boundaries of the District

The boundaries of the MDD shall be defined as follows: The territory of the City of Palmview. The boundaries will conform automatically to any changes in the boundaries of the portion of the City of Palmview or the City of Palmview's extraterritorial jurisdiction included in the district.

The election will be held within these boundaries.

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Section Three (3): Election Day Polling Places:

Except as otherwise provided herein, the boundaries of each voting precinct for the Election shall be coterminous with the county elections of Hidalgo County, and in some cases, two or more county election precincts will be combined to form one voting precinct as set forth in Exhibit A, which is attached hereto and incorporated by reference as if set out in full herein (?)

Section Four (4): Proposition

At the Election there shall be submitted to the resident, qualified electors of the City of Palmview the following proposition:

"Authorizing the creation of the City of Palmview municipal development district and the imposition of the sales and use tax at the rate of 1/3 (1/8, ¼, 3/8, or ½) of one percent for the purpose of financing development projects beneficial to the district."

MAYOR JORGE G. GARCIA

ATTEST:

AIDA RIVAS
CITY SECRETARY

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LOOKING AHEAD

Strategic Plan

Strong infrastructure is the backbone of economic development. For a growing city like Palmview, it drives community growth and quality of life.

The PMDD has made infrastructure-focused project development its first strategic priority. Reliable roads, utilities, and public services attract new businesses, help existing ones operate efficiently, improve public safety and mobility, and keep essential services in step with the needs of residents.

COMPONENTS OF CITY INFRASTRUCTURE

- Transportation Systems
- Utilities
- Housing
- Public Services

Strategic Priorities for 2027

01

New Economic Development Incentive Program

The Board approved a set of incentive tools in August 2026. In 2027 the District will bring written program guidelines to the Board for adoption, with clear steps for eligibility, application, and approval.

Incentives are performance-based, tied to capital investment, new jobs, and new sales tax, and paid as the business delivers.

02

Reinstate the USDA Revolving Loan Fund

The PMDD holds the USDA Rural Development loan program assigned to the District in 2018. The District is updating its Revolving Loan Fund Plan under USDA requirements (7 CFR Part 4274) and working with USDA to return the fund to active lending.

Once reinstated, the fund will offer Palmview small businesses low-cost financing to start, grow, and add jobs.

03

Main Street Momentum

Main Street reaches two milestones in 2027. The Palmview Emergency Department, a department of Mission Regional Medical Center, is scheduled for completion in summer 2027. The $10.5 million, 24-hour facility anchors the corridor with emergency care close to home. Construction on the Veterans Boulevard expansion is also set to begin. The PMDD will use this momentum to market the remaining Main Street lots to new retail, office, and commercial users.

THE HEARTBEAT OF PALMVIEW

Palmview Community Profile

POPULATION			
16,030	**92.3%** Hispanic origin	**50%** Population 16+ in the labor force (2020-2024)	**38.8** Median age

Housing and Cost of Living

25%	Lower cost of living than the national average
76.2%	Owner-occupied housing
$113,600	Median value of owner-occupied units

Education (Age 25+)

High school graduate	**65%**
Bachelor's degree or higher	**13%**

Marital Status

Married 49%	**Single 51%**

Population by Household Type

Married couples	**54.5%**
Female householder	**31.7%**
Male householder	**6.9%**
Non-family	**6.9%**

Population by Age

Under 18	**about 26%**
18 to 64	**about 56%**
65 and older	**about 18%**

Median age 38.8. Working-age residents make up the majority of the community.

MADE IN PALMVIEW

Supporting Growth Through PMDD

The PMDD fosters economic growth by supporting local businesses, encouraging new investment, and creating job opportunities.

Through strategic outreach and thoughtful planning, the District positions Palmview as a thriving, business-friendly city in the Rio Grande Valley. Working alongside our partners with a forward-looking strategy, we are laying the foundation for a stronger economic future for the community.

HOW WE SUPPORT OUR BUSINESSES

- Ribbon cuttings
- Groundbreaking ceremonies
- Anniversary celebrations
- Business spotlight videos
- Business webinars











REVENUE TREND

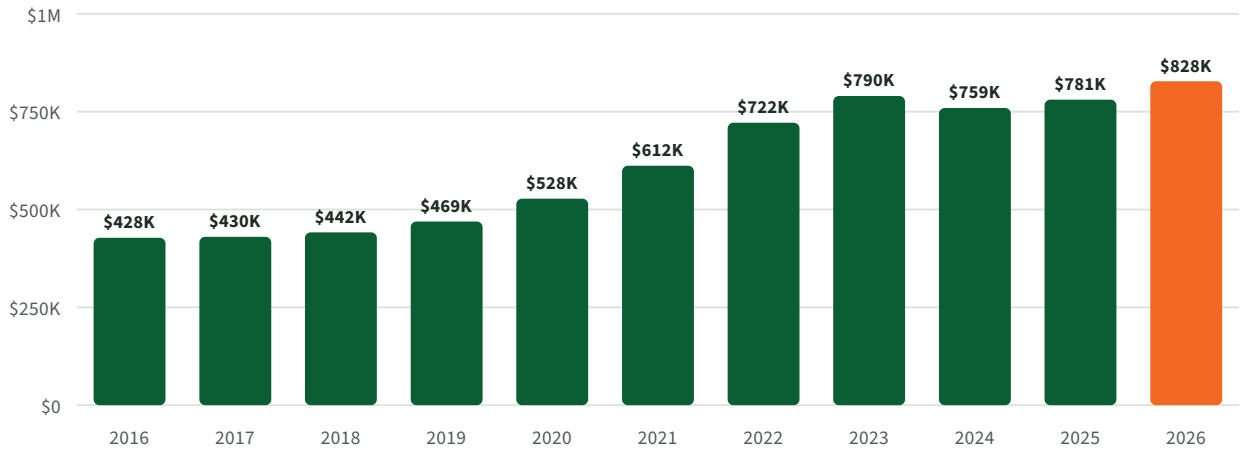
Ten-Year Sales Tax Growth

93% Growth in annual sales tax collections, FY 2016 to FY 2026

$827,507 FY 2026 collections, the highest of the ten-year period

Annual Sales Tax Collections, FY 2016 to FY 2026

Total collections by fiscal year, based on monthly collections



FISCAL YEAR	TOTAL COLLECTIONS
FY 2016	$427,800.76
FY 2017	$430,298.97
FY 2018	$441,580.97
FY 2019	$469,221.44
FY 2020	$527,948.31
FY 2021	$611,796.13

FISCAL YEAR	TOTAL COLLECTIONS
FY 2022	$721,985.72
FY 2023	$789,871.00
FY 2024	$759,158.97
FY 2025	$780,762.40
FY 2026	**$827,506.50**

SIGNATURE PROJECT

Main Street Development Project

The City of Palmview continues to advance the Main Street Project, a key initiative supported by the PMDD Board.

The PMDD plays a central role in backing major infrastructure projects and attracting new business development that drives economic growth.

Seven Development Sites on the Interstate 2 Corridor

Seven development sites have been identified along the Interstate 2 corridor, creating prime opportunities for commercial growth. The Palmview Emergency Department, a department of Mission Regional Medical Center, is currently under construction on Main Street. The $10.5 million, 24-hour facility will bring emergency care close to home for Palmview and western Hidalgo County families and is scheduled for completion in summer 2027. These sites are closely tied to the expansion of Veterans Boulevard (State Highway 495), a two-and-a-half-mile road running east to west across the city. The expansion remains a top priority for Palmview's continued development.

Funding the Veterans Boulevard Expansion

The City of Palmview has contributed more than $3 million to the project, in partnership with Hidalgo County, which has invested nearly $2.5 million. Together, these local funds have been leveraged to secure approximately $20 million from the Texas Department of Transportation through the Rio Grande Valley Metropolitan Planning Organization.

$3M+	~$2.5M	~$20M	~$26M
City of Palmview	Hidalgo County	TxDOT through the RGV Metropolitan Planning Organization	Total project funding

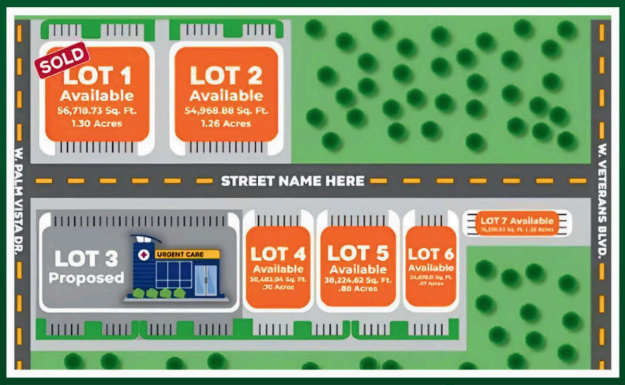
Construction Begins in 2027

Construction on the Veterans Boulevard expansion is scheduled to begin in 2027. The project is essential to Palmview's growth: it will improve connectivity between city corridors and serves as the foundational step toward a vibrant downtown shopping and business district.



MAIN STREET *Project*

OPPORTUNITY AWAITS IN PALMVIEW!







Revitalizing Palmview

The City of Palmview is developing a new Main Street corridor to unify the community, promote economic development, and create a vibrant hub for residents and visitors.

Conveniently located between two major traffic routes, Interstate 2 and Veterans Blvd., Palmview's downtown vision centers on seven prime development sites with strong visibility, steady traffic, and everyday convenience. With the land already platted and ready to build, momentum continues to grow, led by Palmview's first 24-hour urgent care and paving the way for a transformative downtown.

- *City-Owned Property Ready for Development*
- *7 Commercial Lots for Sale*
- *Prime Location off of Interstate 2*
- *Ideal for retail, office, and commercial pad sites*

Annual Budget, FY 2026-2027

ACCOUNT	DESCRIPTION	ADOPTED BUDGET FYE 9/30/2026	AMENDED BUDGET FYE 9/30/2026	ACTUAL AS OF 08/31/2026	PROJECTED THROUGH 9/30/2026	ADOPTED BUDGET FYE 9/30/2027
REVENUES						
905-199-40020	Sales Tax	775,000	775,000	760,834	825,417	825,000
905-199-44100	Interest Income	10,000	10,000	13,562	14,562	12,000
	Miscellaneous		-	14,000	28,000	-
905-199-41050	Main Street Lot Sales		600,000	600,000	600,000	-
	Total Revenues	**$ 785,000**	**$ 1,385,000**	**$ 1,388,396**	**$ 1,467,979**	**$ 837,000**
EXPENSES						
	PERSONNEL EXPENSES					
905-199-50100	Salaries	31,200	3,190	3,190	3,190	-
905-199-50250	FICA Payroll Taxes	2,567	317	244	244	-
905-199-50260	TWC Payroll Taxes (Unemployment)	-	-	-	-	-
905-199-50320	Health Insurance	-	-	-		-
905-199-50310	Retirement (TMRS)	-	-	-		-
	Total Personnel Expenses	**$ 33,767**	**$ 3,507**	**$ 3,434**	**$ 3,434**	-
	OPERATING EXPENSES					
905-199-51100	Board Meeting	5,500	5,500	2,526	3,526	5,000
905-199-51350	Travel / Training	20,000	31,000	30,257	30,257	30,000
905-199-52099	Advertising / Marketing	26,185	13,062	3,406	3,406	20,000
905-199-52123	Business Outreach Contribution	-	43,383	10,828	24,539	34,184
905-199-52150	Materials & Supplies	5,000	5,000	1,822	2,322	5,681
905-199-54070	Professional Services	96,000	96,000	96,500	122,500	156,000
905-199-54210	Legal Services	30,000	30,000	27,500	30,000	30,000
905-199-55050	Quality of Life / Community Functions	10,000	10,000	1,325	1,325	7,000
905-199-59010	Lot Settlement Cost	-	1,200	1,143	1,143	-
	Total Operating Expenses	**$ 192,685**	**$ 235,145**	**$ 175,307**	**$ 219,018**	**$ 287,865**
	Sub-Total	**$ 226,452**	**$ 238,652**	**$ 178,741**	**$ 222,452**	**$ 287,865**
	Current Revenues Over (Under) Expenses	**$ 558,548**	**$ 1,146,348**	**$ 1,209,655**	**$ 1,245,527**	**$ 549,135**
	DEBT / CAPITAL EXPENDITURES					
905-199-58500	Pledged Sales Revenue to City of Palmview	150,000	150,000	-	150,000	150,000
905-199-59002	FM 495 Bond Series 2017 Service	140,000	140,000	140,000	140,000	145,000
905-199-59005	Frost Bank Sales Tax Rev Bond 2020	90,000	90,000	35,000	90,000	95,000
905-199-56062	Interest Expense	118,548	118,548	118,530	118,530	109,135
905-199-59006	Main St. Development Cost	-	93,000	98,479	98,479	-
905-199-59007	Project Development	60,000	554,800	-	-	50,000
	Total Debt / Capital Expenditures	**$ 558,548**	**$ 1,146,348**	**$ 392,009**	**$ 597,009**	**$ 549,135**
	Total Expenditures	**$ 785,000**	**$ 1,385,000**	**$ 570,750**	**$ 819,461**	**$ 837,000**
	Revenues Over (Under) Total Expenditures	-	-	**$ 817,646**	**$ 648,518**	-
	Beginning Unassigned Fund Balance	**$ 963,699**	**$ 963,699**	**$ 963,699**	**$ 963,699**	
	Projected Ending Unassigned Fund Balance	**$ 963,699**	**$ 963,699**	**$ 1,781,345**	**$ 1,612,216**	

Debt

$2,555,000
Total outstanding debt as of October 1, 2026

$349,135
Total debt service due in FY 2027

Sales Tax Revenue Bonds, Series 2015

PAID IN FULL

In 2015, the PMDD issued a $505,000 bond with a 10-year term. It was the first bond issued to fund the 495 Expansion Project. In October 2015, the District made a payment to Hidalgo County for Phase I of the project, and all bond proceeds were applied to the project. The final payment was made in August 2025, fully satisfying this bond obligation.

Original amount **$505,000** Term **10 years** Retired **August 2025**

Sales Tax Revenue Bonds, Series 2017

OUTSTANDING

In 2017, the PMDD issued a $1,980,000 bond with a 15-year term. It was the second bond issued to fund the 495 Expansion Project. The District made a payment to Hidalgo County for Phase II of the project in May 2017, followed by the final payment for Phase III in November 2017. All bond proceeds were applied to the project. The bond is scheduled to be paid in full in August 2032.

Original amount **$1,980,000** Outstanding principal **$960,000** Final payment **August 2032**

Sales Tax Revenue Bonds, Series 2020

OUTSTANDING

In 2020, the PMDD issued a $1,840,000 bond with a 15-year term. The proceeds refinanced and paid off two existing loans. The first was a Relending Program loan obtained in 2018 to provide the down payment for the purchase of the former Greg's property. The second was a loan with Villarreal-Nelson Development, Ltd., which financed the purchase of the property that is now Main Street. After both loans were satisfied, the remaining bond proceeds were used for expenses associated with the development of Main Street. The bond is scheduled to be paid in full in August 2035.

Original amount **$1,840,000** Outstanding principal **$1,595,000** Final payment **August 2035**

Bonds Payable Schedule as of September 30, 2027

BOND	TERM BEGINNING	TERM ENDING	ORIGINAL LOAN AMOUNT	BEGINNING BALANCE 10/1/2026	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT DUE	ENDING BALANCE 9/30/2027	INTEREST RATE
Frost Bond Series 9002 (2017)	8/15/2017	8/15/2032	1,980,000.00	960,000.00	145,000.00	36,403.20	181,403.20	815,000.00	3.792%
Frost Sales Tax Rev Bonds, Series 2020	9/30/2020	9/30/2035	1,840,000.00	1,595,000.00	95,000.00	72,732.00	167,732.00	1,500,000.00	4.560%
Total			**3,820,000.00**	**2,555,000.00**	**240,000.00**	**109,135.20**	**349,135.20**	**2,315,000.00**	

Series 2017 Debt Service

Sales Tax Revenue Bonds, Series 2017

Debt outstanding as of 9/30/2026

PERIOD ENDING	PRINCIPAL	INTEREST	DEBT SERVICE	ANNUAL DEBT SERVICE
02/15/2027		18,201.60	18,201.60	
08/15/2027	145,000	18,201.60	163,201.60	
09/30/2027 FY total				**181,403.20**
02/15/2028		15,452.40	15,452.40	
08/15/2028	150,000	15,452.40	165,452.40	
09/30/2028 FY total				**180,904.80**
02/15/2029		12,608.40	12,608.40	
08/15/2029	155,000	12,608.40	167,608.40	
09/30/2029 FY total				**180,216.80**
02/15/2030		9,669.60	9,669.60	
08/15/2030	165,000	9,669.60	174,669.60	
09/30/2030 FY total				**184,339.20**
02/15/2031		6,541.20	6,541.20	
08/15/2031	170,000	6,541.20	176,541.20	
09/30/2031 FY total				**183,082.40**
02/15/2032		3,318.00	3,318.00	
08/15/2032	175,000	3,318.00	178,318.00	
09/30/2032 FY total				**181,636.00**
Total	**960,000**	**131,582.40**	**1,091,582.40**	**1,091,582.40**

Prepared by PFM Financial Advisors LLC.

Series 2020 Debt Service

Sales Tax Revenue Bonds, Taxable Series 2020

Debt outstanding as of 9/30/2026

PERIOD ENDING	PRINCIPAL	INTEREST	DEBT SERVICE	ANNUAL DEBT SERVICE
02/15/2027		36,366	36,366	
08/15/2027	95,000	36,366	131,366	
09/30/2027 FY total				**167,732**
02/15/2028		34,200	34,200	
08/15/2028	100,000	34,200	134,200	
09/30/2028 FY total				**168,400**
02/15/2029		31,920	31,920	
08/15/2029	105,000	31,920	136,920	
09/30/2029 FY total				**168,840**
02/15/2030		29,526	29,526	
08/15/2030	105,000	29,526	134,526	
09/30/2030 FY total				**164,052**
02/15/2031		27,132	27,132	
08/15/2031	110,000	27,132	137,132	
09/30/2031 FY total				**164,264**
02/15/2032		24,624	24,624	
08/15/2032	120,000	24,624	144,624	
09/30/2032 FY total				**169,248**
02/15/2033		21,888	21,888	
08/15/2033	305,000	21,888	326,888	
09/30/2033 FY total				**348,776**
02/15/2034		14,934	14,934	
08/15/2034	320,000	14,934	334,934	
09/30/2034 FY total				**349,868**
02/15/2035		7,638	7,638	
08/15/2035	335,000	7,638	342,638	
09/30/2035 FY total				**350,276**
Total	**1,595,000**	**456,456**	**2,051,456**	**2,051,456**

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