

LOCAL

Recap: Commission votes 3-2 to negotiate 'payment structure' and sale of TMH to FSU



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The Tallahassee City Commission [met this morning](#) to discuss the future of Tallahassee Memorial HealthCare.

After months of largely being kept in the dark, commissioners are finally learning about [the deal TMH has worked out with Florida State University](#) as a step toward creating an academic medical center in Tallahassee.

The non-binding agreement was announced Sept. 16 and would merge TMH into FSU Health with the university taking control of all the city-owned assets of the hospital.

Talk of FSU ownership has fostered hope that one day patients may not have to travel to see a specialist as the capital city develops a higher-tier healthcare system like the one its [rival University of Florida](#) has been operating for decades. But it's also drawn fire as a "coerced deal" [from some city leaders](#), and community members and hospital employees have worried about state control and a loss of community-focused care.

Ultimately, City Commissioners will have the last word.

Here's a recap of the discussion at City Hall:

Mayor closes out discussion as commission votes 3-2 to negotiate 'payment structure' and sale of TMH to FSU

Mayor John Dailey thanked all the major players for working with together and with the city during this process.

"We are in a very unique situation where we have all the experts... at the table," he said.

He offered up a substitute motion that directs the city manager to "move forward in negotiating the payment structure."

The motion passed in a 3-2 vote.

"The future is bright in healthcare," Dailey said.

A second public hearing is scheduled for Oct. 22 at 6 p.m.

City Commissioner Jeremy Matlow fires off questions

City Commissioner Jeremy Matlow said his interest is in protecting the public asset.

"I think we have unanimous support for an academic medical center in Tallahassee," Matlow said. "We didn't hear anything opposed to that from community speakers or at this board, and I think that's fantastic."

He directed questions to FSU and TMH leaders about the Panama City Beach hospital and it's relation to the negotiations. He asked if the funding of the new hospital being built was a tipping point for the finalization of this deal TMH and FSU recently created.

TMH CEO Mark O'Bryant said they needed to finance the construction and FSU was the best financial vehicle to complete that construction by the set date.

The hospital in Panama City Beach will be like Tallahassee's hospital: TMH will be the operator of that hospital too.

Matlow called up Sally Bradshaw, former chair of the TMH board. He asked her if the board was in support of this.

"Always have been," Bradshaw said.

She said there were parts of the agreement that the board was and wasn't excited about during the discussions over the last seven to eight months.

"At the end of the day, we wanted to move the conversations forward and continue the discussions," she said.

He also asked Bradshaw if the board felt pressure to settle because of FSU's involvement in the funding of the Panama City Beach hospital.

"I think that was a concern, yes," Bradshaw answered, saying she didn't want to speak for the entire board.

Matlow emphasized there needs to be fair market value.

City Commissioner Dianne Williams-Cox said if the city receives financial compensation for the hospital, then they also give up the right for the city to have no say in the community's source of healthcare.

City Commissioner Jack Porter said she doesn't know if that's true.

City Attorney Amy Toman said she would have to look at.

"It's clear we are far away from a done deal," Matlow said.

Moving forward, Matlow said the city needs a fair market appraisal to make a decision. Williams-Cox said she can't support his motion to have an appraisal. Instead, they should instruct the city manager to follow the process that is already in place, she said.

City Commissioner Dianne Williams-Cox contributes to discussion

City Commissioner Dianne Williams-Cox said she sees the deal as a partnership with people coming together to make things happen, but there seems to be a lot of distrust with what's been presented.

The political fear is real, but there is an ability "right here, right now" that is going to live past the current political climate, Williams-Cox said.

She emphasized the importance of all cultures having access to care. "We can't wait to do this," she said. "We need to have the funding we need now."

Williams-Cox said she has no concern that TMH will continue to do what it's been doing, but she too wanted Florida A&M University to have a say in this growing partnership.

City Commissioner Curtis Richardson pressed the importance of minority healthcare and research based on minorities.

FSU President Richard McCullough said this region has some of the best rural health programs in the country. He said it's an area of strength for FSU.

City Commissioner Curtis Richardson directs questions to leaders

City Commissioner Curtis Richardson said he shares the concern of having state political interference, but he said the proposed governance structure is a safeguard for that.

He asked FSU and TMH leaders to talk about how votes will be made if board members are absent and how FAMU and TSC will be included moving forward.

FSU President Richard McCullough said all major decisions will be decided by a supermajority.

Richardson mentioned how the commission is currently in charge of approving TMH board members. He asked if this would be the same under the new partnership.

McCullough said that's the commission's decision because it's outside the scope of the memorandum of understanding.

Mayor John Dailey said he thinks that raises some legal questions but the bottom line is that should be more communication between the hospital and the community.

TMH CEO Mark O'Bryant said the hospital will continue to have thoughtful relationships starting with hospital board seats.

"It's your decision," O'Bryant said. "We trust your decisions at the end of the day."

City Commissioner Jeremy Matlow said it sounds like it's still up for discussion.

► [See the FSU-TMH partnership slides shown to commissioners here.](#)

McCullough said they are open to what the commission suggests to them, but he said they spent a lot of time combing through these concerns and brought forward what they thought was best.

"We stand before you," he said. "It's your asset, you have to tell us what to do."

He said they'd work something out that makes sense for all the parties involved if the city directed them to do something outside of the agreement on the table today.

McCullough said if this deal doesn't go through, it creates an opportunity for a for-profit entity to enter the scene which would likely impact indigent care in a negative way.

City Commissioner Jack Porter kicks off discussion

City Commissioner Jack Porter says she has "no doubt" about FSU's commitment to improving healthcare. Porter said she supports an academic medical center.

"Is it possible to have an academic medical center where the city retains ownership of the asset?" Porter asked.

FSU President Richard McCullough said it is, but there're financial advantages to FSU ownership that they couldn't have if it was owned by the city.

Porter asked how Tampa General and the University of South Florida fund and operate their academic medical center since they just have a partnership and not university ownership.

TMH CEO Mark O'Bryant said USF Health pulls federal funds and tax dollars to support hospital and academic medical center functions

Porter said she wants to have more clarity moving forward on the different sources of revenue that are available. She then moved on to question the transfer or sale of the hospital.

She asked if it would be considered a real estate transaction because the city has a real estate policy that governs how the city moves forward.

City Manager Reese Goad said the commission can take action outside of the policy.

"This property is encumbered by a lease and can only be transferred through an agreement that we see in front of us today," Goad said. "The city does not have the sole individual authority to sell the hospital."

Porter called for an appraisal. She also asked for a realistic list of what patients are to expect moving forward.

Dr. Dean Watson, present on TMH's behalf, said advanced GI procedures, cardiothoracic surgery procedures and more will be available to patients under the partnership with FSU. FSU's research component is also an appeal to specialty doctors and drawing them to the area.

Porter said she understands these benefits but wants to properly paint a picture for the government.

"I just want us to be clear about what this means for the community and the timeline that it's going to take for us to achieve some of these benefits," she said.

McCullough said they have a lot of work to do.

"I think what the public wants to here is while we might not know what these decisions are, they will be made locally," Mayor John Dailey said.

Porter said the city, TMH and FSU needs to be "much more clear" when they say residents will never have to travel outside of Tallahassee for care. This came after McCullough said certain organ transplants wouldn't take place at TMH.

McCullough said FSU isn't assuming ownership of TMH the non-profit, it's just owning the buildings and other assets. The state has a ton of resources that come in from taxpayers.

The state "wants us to do these jobs," he said. "They're supporting us."

O'Bryant said the decisions being made will be, and have been made with the benefit of this region in mind.

Commission hears more from TMH, FSU leaders

The first public hearing has officially ended, and the commissioners started their discussion.

"We'll close out the public hearing and roll up our sleeves, and let's have a great, robust conversation," Mayor John Dailey said.

Dailey said all the players, including Florida A&M University and Tallahassee State College, have shared their support on the record.

TMH CEO Mark O'Bryant said they've been working on this project the last two decades but it all depends on what the community wants. To have a complex, robust academic medical center, "we have to expand," he said.

"If we're going to create this higher level of care," there has to be a different platform, he added.

FSU President Richard McCullough told the commission he understands "the fear is real, but our goal is to create better healthcare for the Tallahassee region."

"There's no state involvement in this," McCullough said.

The FSU president acknowledged that they received funding from the state to build a facility on TMH's campus.

"There's no oversight; there's no secret plan," McCullough said. "This is just FSU trying to help the region improve healthcare."

'Once in a generation decision': City gives the floor to public speakers

City Treasurer-Clerk Jim Cooke said about a dozen speakers have signed up to share their thoughts on the potential sale and creation of an academic medical center.

One speaker said the public needs to be given the opportunity to fully weigh the deal on the table. Another supported going beyond the current status quo.

Speaking on behalf of four TMH board chairs, former chair Lee Hinkle said she was "genuinely excited about the next phase" of the academic health center in

question but wants healthcare decisions anchored in the region's needs. She said the hospital must be "locally steered." She said the 9-8 majority that favors TMH is "on paper balanced, but in practice too thin."

"A hospital service hundreds of thousands shouldn't hinge on a single absence or a sudden shift," she said. "That margin invites instability and erodes confidence."

She also said the community "deserves time to understand" the complexities of the proposed transfer.

"This is a once in a generation decision," she said. "Please do not transfer the asset until the final agreement is complete and public... Not partial handoffs, no placeholders. That order protects patients, staffs, donors and partners and shows confidence that the details match the headlines."

Another man came before the dais saying this model will be "objectively beneficial." He said based on his research, it would be unprecedented to give the hospital to FSU without "specific compensation."

"This is a monumental moment for us," he said.

Tallahassee residents have time and time again commuted to other towns for specialty care, a woman said. The partnership matters because it means "Tallahassee families can get world class specialty care without leaving their support systems," she said.

Another woman said the agenda item that was compiled for this meeting seemed more like a "PR piece for accepting this option," instead of providing the public with the potential pitfalls of the decision. She called for more questions to be answered.

While many speakers supported the creation of an academic health center, one man spoke against the state getting involved in local healthcare.

"Will TMH continue to treat trans, gay and woke people under Gov. DeSantis?" the speaker questioned.

Several other speakers have called for the commission to revisit the idea of entering the referendum process so the decision can be added to the 2026 ballot.

FAMU representative presents on university's behalf

After much mention of Florida A&M University, Mayor John Dailey gave the microphone to Executive Vice President for Health Sciences Enterprise and Research Innovation Donald Palm.

He said FAMU is producing hundreds of licensed professionals every year, and the university is looking forward to continued collaboration to bring its "legacy of excellence, innovation and service."

"Thank you, Mr. President," Dailey said. "Please tell President Johnson how much we appreciate the collaboration."

Academic health centers bring numerous benefits

The creation of an academic health center in the Big Bend is going to generate significant new business spending, attract more physicians and students and bring research and clinical trials directly to patients.

TMH Chief Financial Officer Priscilla Needhan said "this is a true partnership" of the city, TMH and FSU working together to help the city.

FSU's Vice President for Finance and Administration Kyle Clark said this plan will also prevent residents from having to travel out of town for care.

Agreement structure laid out for commission

Under the agreement, the city is to transfer TMH's campus to FSU, and in turn, FSU will lease the campus back to TMH under a "new 40-year agreement."

TMH will continue to be the licensed, independent operator under the new co-branding that includes FSU Health.

FSU presents why academic health centers matter

FSU's Vice President for Finance and Administration Kyle Clark said they are proud to be here today before the commission with an academic health center on the horizon.

"We know there's much work that needs to be done to bring this vision to reality, but the foundation is solid," Clark said.

This model will generate jobs and growth in the healthcare industry in the region.

President McCullough speaks with President Johnson

FSU President Richard McCullough said he spoke with Florida A&M University President Marva Johnson yesterday.

Since the discussions began about merging TMH with FSU, many have called for FAMU and Tallahassee State College to be included in the plans.

The MOU says the entities intend to continue and advance their relationships with the other two higher education institutions in Tallahassee.

FSU, TMH leaders and community pack City Hall

Dozens of people filed into the city commission chambers to be present for the commission's special meeting on the Tallahassee Memorial HealthCare and Florida State University agreement.

FSU President Richard McCullough and TMH CEO Mark O'Bryant are both present and seated at the table to present the memorandum of understanding to the commission.

The goal is to create a "better platform of healthcare" that brings higher levels of programs to the community, O'Bryant said.

Providing top-tier healthcare to the community is "personal" to McCullough, he said. He's used to academic health centers having lived in areas with them, and he said he's seen the benefits of them.

"This partnership is not just about us," he said.

Will there be a vote today?

City Manager Reese Goad told the Tallahassee Democrat ahead of today's meeting that "there won't be a vote" on whether the city will sell TMH to FSU.

In theory, the commission could take action, but the special meeting is more of "an information gathering and discussion," giving elected officials the opportunity to hear from TMH board members, community members and others, Goad said.

Commissioners are also able to request to have additional agenda items be brought before them at future meetings. The public will also be able to address commissioners.

Today's special meeting is the first of two public hearings on the matter. The second public hearing is scheduled for Oct. 22 at 6 p.m.

What does the memorandum of understanding say?

The city commission will be reviewing the memorandum of understanding that TMH and FSU have unanimously supported.

The agreement discusses the city's role in the new partnership, governance structure, benefits for patients, branding details and more.

Read a breakdown of the MOU [here](#).

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