

Tallahassee Democrat.

LOCAL

Tallahassee city commission clears path for final sale of TMH to FSU



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Key Points AI-assisted summary

City commissioners voted 3-2 to move forward with the sale of Tallahassee Memorial HealthCare to Florida State University.

The deal includes a \$109 million sales price and a commitment from FSU to invest in the hospital and create FSU Health.

The proposed sale has faced controversy and opposition from some community members concerned about losing local control.

City commissioners agreed in a 3-2 vote to iron out a final contract on the [sale of Tallahassee Memorial HealthCare](#) to Florida State University — [a major community step](#) that would see creation of an academic medical center operating as FSU Health.

FSU President Richard McCullough, who was on hand not only for the vote but also a resolution honoring the women's soccer team, thanked commissioners beforehand for their support. He called it "a great day" for the city and the future of healthcare.

"Negotiations were difficult, complex," he said of a process that has been punctuated by controversy and accusations that FSU and the city manager and mayor [engineered a takeover](#) of the community hospital [in secretive meetings](#).

“They took time, but we believe that we arrived at a very positive place, one that’s important for the future of this community. This agreement marks a significant milestone for Florida State University, for the city of Tallahassee, for Tallahassee Memorial HealthCare and all the people that we serve.”

The vote fell along the same lines as all previous ones involving TMH, with Mayor John Dailey and Commissioners Curtis Richardson and Dianne Williams-Cox voting in favor of a [memorandum of understanding](#) that serves as a prelude to a final contract. Commissioners Jeremy Matlow and Jack Porter voted against it.

The commission action gave the city’s stamp of approval on a [memorandum of understanding](#) announced last month between the city and FSU that the two sides hailed as transformational. It also set a final public hearing on the sale for 9 a.m. Wednesday, March 11.

The MOU includes broad terms of the deal, including a sales price of \$109 million, to be paid by FSU to the city over 30 years, and a commitment by FSU to invest \$100 million in existing hospital facilities and another \$150 toward the FSU Health endeavor.

Former City Commissioner Mark Mustian, an attorney representing the city in negotiations with the university, gave a brief presentation about some of the specifics in the MOU. Mustian, whose late father, M.T. Mustian, led the hospital for a quarter century as chief administrator, said there were “a whole lot” of discussions about the need to improve existing TMH facilities.

“I think the city had an interest in making sure that the facilities in Tallahassee are up to snuff,” he said. “And not that they’re necessarily in bad shape now, but you know, and I know, when I go to the hospital, I go to the part that I’ve gone to since I was 7, that was built in the ‘40s, because I know where the stairs are. So clearly there’s work to be done there.”

The proposed sale — which took hospital officials by surprise when it first arose last spring — [continued to bring out opponents](#), who urged commissioners to either nix

the deal or slow it down. Others promised “political consequences” if commissioners proceeded.

Maureen Halligan, a retired TMH case manager, asked commissioners to reject the sale, though she said it wasn’t because she dislikes FSU, where she and others in her family graduated.

“It’s because once this takeover is approved, the citizens of Tallahassee will have very limited say in an important decision,” she said. “FSU now and TMH (would be) under control of the state of Florida and make it subject to state politics and state politicians. The people who live in Miami, Coral Gables, Boca Raton, West Palm Beach — they’re the ones who have a say in how we’re run.”

Two people who happen to serve on the Leon County Citizen Charter Review Committee spoke out on the sale, though not under the auspices of the panel. Shamarial Roberson, a former deputy secretary at the Florida Department of Health, urged commissioners to approve the deal.

“Chronic diseases are the leading cause of disability and death in the state of Florida and Leon County,” she said, “as many in this region have three or four chronic diseases in their adult ages compared to some urban areas where they have better results. What I’m telling you is the time is now.”

Charter committee member Bruce Strouble urged commissioners to put the brakes on the sale. Ernie Paine, former member of the city’s Independent Ethics Board, told commissioners not to “rubber-stamp” the sale for “what many consider a rock-bottom price.”

“You have the opportunity to not only provide a great benefit to north Florida and South Georgia but to do so while better leveraging this valuable financial asset,” he said. “This could be used to apply to affordable housing, food insecurity, infrastructure or all the other things that you may not be able to provide if the governor and legislature have their way with property taxes.”

For the first time, there was a real show of force in favor of the deal. A number of FSU medical students, all wearing white lab coats, sat in the audience as a sign of solidarity in support of the sale. The crowd was so large it spilled out in the hall as the chamber had reached capacity.

Carson Dale, FSU student body president, said students are excited for “this next chapter” and said it would give students more opportunities “to gain real hands-on experience and serve our community.”

“We already intern and work in clinics, conduct research with our faculty and volunteer in health and service organizations across Tallahassee,” he said. “This agreement means we can do even more of that and bring our energy and ideas as FSU Health grows.”

Dr. Alma Littles, dean of the FSU College of Medicine, said the merger would improve patient care, medical education and research.

“An academic health center serves as a beacon for some of this county’s and some of this country’s best physicians, medical educators and researchers,” she said. “This is the three-legged stool on which outstanding patient care is developed, not only in primary care but also in sub-specialty.”

City commissioners weigh in again before typical 3-2 vote

Matlow, who's running for mayor rather than re-election to Seat 3, questioned the sale's price repeatedly and said if the hospital sold for \$250 million, it would give the city enough money to clear its entire sidewalk backlog or house every homeless person in the community.

“I want to start by saying two seemingly opposing ideas can be true,” he said. “Partnership between Florida State University and TMH can be transformational for the future of health care in our community. And at the same time, the deal that’s before us today is detrimental to the city’s interests.”

Porter reiterated her support for an academic medical center and said she doesn't know anyone who is opposing better public health or medical care in Tallahassee. But she questioned whether the process was community-based or thorough.

"This process has not been transparent or carefully planned — nowhere close," she said. "It's been rushed. There's been no exploration of alternatives, nothing presented to the public as far as what other models for this partnership could be."

Williams-Cox continued to express enthusiasm for the sale, which she said would bring more advanced technology, education and knowledge to Tallahassee. She dismissed criticism that the sale has been rushed, and said it was a starting point to ensuring residents wouldn't have to constantly travel to seek treatment from specialists.

"I will say that in conversations with individuals, I have been very clear that this is not going to happen overnight," she said. "It's going to be an evolution. But you've got to start somewhere. If we wait five, 10 years from now, it's just going to take even longer."

Richardson got emotional as he expressed support for the sale, saying he got excellent care at TMH because of medical conditions over the past six months that required him to be admitted. He said his wife, Leon County Administrative Judge Nina Ashenafi-Richardson, got excellent care at TMH after she was diagnosed with breast cancer years ago.

"So this is personal for me, y'all," he said. "I ain't playing around with this."

Mayor John Dailey, who is not running for a second term, kept his remarks brief after Williams-Cox moved in favor of a motion to proceed.

"I'm extremely excited about taking the next step," he said. "I fully support the merger, and I intend to vote for the motion."

With that, Matlow made one last attempt for an alternative, making a substitute motion to get two accredited fair market value appraisals for the hospital before any sale. It failed 2-3 before the main motion passed amid loud booing from opponents. "Shame on you," someone shouted as the mayor called for a recess.

After the deal was done, FSU sent out a press release trumpeting the deal. President McCullough heralded the vote as "the culmination of our shared commitment to discovery, care, and opportunity" in building "a healthier future for all."

It also quoted TMH CEO Mark O'Bryant, who [early in the process](#) blasted the potential merger as an "unprovoked and secretive move of the mayor and city manager."

"We look forward to continuing to finalize the terms of our partnership with FSU that will enhance patient care, serve our community, and further strengthen our region as a healthcare destination," O'Bryant said in the Jan. 14 release.

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