

RESOLUTION NO. 26-R-03**A RESOLUTION OF THE CITY OF TALLAHASSEE, FLORIDA CITY COMMISSION APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH FLORIDA STATE UNIVERSITY REGARDING THE SALE OF CITY ASSETS COMMONLY KNOWN AS TALLAHASSEE MEMORIAL HOSPITAL; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; ESTABLISHING AND CONFIRMING A PROCESS TO PROCEED TO IMPLEMENTATION OF SAID TRANSACTION; AUTHORIZING CERTAIN OTHER ACTIONS; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Tallahassee, Florida (the "City") is the owner of certain assets (collectively, the "City Assets") commonly known as Tallahassee Memorial Hospital and leased to Tallahassee Memorial HealthCare, Inc. ("TMH") pursuant to a Third Amended and Restated Lease Agreement, dated as of September 18, 2003, as amended and supplemented (the "TMH Lease"); and

WHEREAS, on March 26, 2025, at a regularly scheduled public meeting, the City Commission considered background information regarding the ownership and operation of TMH so that it could evaluate a request from TMH to restructure its governance model, and received public input from 24 speakers; and

WHEREAS, the *Tallahassee Democrat* has published more than 50 articles, at least 20 of which were opinion pieces from citizens of Tallahassee and surrounding counties, regarding the potential transfer of the City Assets to Florida State University ("FSU") and several other local media outlets (e.g., *Tallahassee Reports*, WCTV, and WTXL) have also published articles regarding this issue; and

WHEREAS, the City has undertaken the evaluation of a potential transfer of the City Assets to FSU for the purpose of enhancing healthcare to residents of the City and surrounding areas by means of the establishment of an academic medical center ("AMC") on said property; and

WHEREAS, in connection with said evaluation, the City (i) conducted a properly noticed public hearing on October 1, 2025, and received public input on a proposed TMH-FSU Memorandum of Understanding ("TMH-FSU MOU") to establish an AMC in Tallahassee as well as on a potential transfer of the City Assets to FSU to effectuate the goals of the TMH-FSU MOU; (ii) conducted a public hearing on October 22, 2025 and received public input regarding these matters, which public hearing was noticed in the *Tallahassee Democrat* and other media in accordance with general City public notices, and in the Florida Administrative Register, more than fifteen days prior to the date of said hearing; (iii) contracted with Ankura Consulting Group,

LLC, a firm with substantial expertise in the valuation of hospitals, to produce a report (the “Valuation Report”) regarding the City Assets; (iv) compared the likely revenues and costs of operating the City Assets under the current structure versus an academic medical structure with ownership by FSU; and (v) made publicly available in connection with consideration of this Resolution all documents considered in connection with such evaluation; and

WHEREAS, based on said evaluation, the City determines that (i) there is a net benefit to the community in establishing an AMC in Tallahassee; (ii) it is in the best interests of the City’s citizens and taxpayers to transfer the City Assets to FSU; and (iii) FSU is a qualified purchaser of the City Assets; and

WHEREAS, the meeting at which this Resolution will be considered has been publicly advertised in accordance with Florida law; and

WHEREAS, the City and FSU have negotiated a Memorandum of Understanding (the “COT-FSU MOU”) with respect to the proposed transfer of the City Assets, which sets forth the consideration to be received by the City for the City Assets; and

WHEREAS, the City has determined that (i) the consideration agreed to in the COT-FSU MOU represents in excess of the fair market value of the City Assets as prescribed by the Valuation Report; (ii) given the required and expected additional investment in the property comprising the City Assets, the added specialization, research and potential revenue source benefits of an AMC and the continuation of the indigent care policy referenced in the COT-FSU MOU, among other provisions, the transfer of the City Assets contemplated therein is in the best interest of the citizens and taxpayers of the City, as well as of the areas from which 75% of TMH’s inpatient admissions are derived; (iii) acceptance of the proposal referenced in the COT-FSU MOU will result in indigent care being maintained without payment of City ad valorem taxes therefor for a longer period than currently provided under the TMH Lease, thus limiting and reducing the potential for said ad valorem taxes to ever be so used; and (iv) the proposal referenced in the COT-FSU MOU includes an enforceable commitment that programs and services and quality health care will continue to be provided to all City residents and those of surrounding communities as referenced above, particularly to the indigent, the uninsured, and the underinsured; and

WHEREAS, the City is unaware of any conflicts of interest regarding the sale of the City Assets as contemplated by the COT-FSU MOU, or any special private gain or loss to members of the City Commission, the TMH Board of Directors or TMH staff. The City is not the operator of the City Assets, and as such has no contracts with physicians or other entities providing health care services; and

WHEREAS, the COT-FSU MOU (i) provides for the orderly transition of the operation and management of the City Assets; (ii) provides for the return of the City Assets in the event of failure to comply with the terms thereof; and (iii) provides for the continued treatment of indigent patients pursuant to the Florida Health Care Responsibility Act and pursuant to chapter 87-92, Florida Statutes.

NOW, THEREFORE, be it resolved by the City Commission of the City of Tallahassee, Florida:

SECTION 1. APPROVAL OF MEMORANDUM OF UNDERSTANDING.

The COT-FSU MOU is hereby approved by the City, and the Mayor of the City is hereby authorized to execute and deliver the same. Notwithstanding anything contained herein to the contrary, approval of the COT-FSU MOU shall not constitute final approval of the City to transfer the City Assets to FSU, and the City Commission shall hold a final public hearing on the matter prior to approval thereof in the manner described below in Section 3, which hearing is hereby scheduled for March 11, 2026.

SECTION 2. PROCESS.

Pursuant to its home rule powers under Florida law, the City is permitted to act for municipal purposes unless specifically prohibited in doing so by general law. The City intends to follow the process set forth below, which it hereby determines to be a fair and reasonable approach and which incorporates, to the extent applicable, provisions of Florida law that would otherwise apply if the City were proposing to transfer the City Assets to a private entity rather than to another governmental entity, the City actually operated the healthcare facilities located on the City Assets, the TMH Lease did not exist, or the City Assets were not being transferred to FSU subject to the TMH Lease:

A. Upon execution, the City will publish notice of the COT-FSU MOU and this Resolution in the *Tallahassee Democrat* and other media in accordance with general City public notices, and in the Florida Administrative Register. The notice shall provide a means for members of the public to submit written comments about the proposed transaction to the City Commission and to obtain the documentation considered by the City Commission in the course of its evaluation of the COT-FSU MOU.

B. The City will publish notice of the final public hearing referenced above, at which time final approval of the transfer of the City Assets to FSU shall be considered, and which notice shall

provide a means to access the substantially final Asset Transfer Agreement, as such is defined in the COT-FSU MOU, which forms the basis of and shall constitute the initial purchase and sale agreement for the transaction.

SECTION 3. ADDITIONAL AUTHORITY.

The City is authorized to take such further action, including but not limited to submitting a petition to the Florida Secretary of Health Care Administration for approval of the proposed transaction, as is deemed advisable in connection with the process described above. Appropriate City officials are hereby authorized to take such actions in connection therewith as are consistent with the foregoing.

SECTION 4. EFFECTIVE DATE.

This Resolution shall become effective immediately upon its adoption.

ADOPTED by the City Commission of the City of Tallahassee this 14th day of January, 2026.



ATTEST:

By: James O. Cooke, IV
James O. Cooke, IV
City Treasurer-Clerk

CITY OF TALLAHASSEE

By:

John E. Dailey
John E. Dailey
Mayor

APPROVED AS TO FORM:

By:

Amy M. Toman
Amy M. Toman
City Attorney

