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Federal government pays \$12.9 million for Brownsboro Road VA hospital site

The federal government has paid \$12.9 million for the Midlands property at Brownsboro Road and the Watterson Expressway — the site of a VA hospital to open in 2018.

The deal between the Department of Veterans Affairs and Blue Equity, led by Louisville businessman Jonathan Blue, closed Tuesday, according to a news release from the VA.

The price is more than double the \$4.96 million that Midlands, which is owned by Blue Equity, paid for the vacant land on May 27, 2004, according to records from the Jefferson County Property Valuation Administrator's office.

The VA said it paid fair market value for the property. Spokeswoman Laurie Tranter could not provide the VA's professional appraisal of the land on Tuesday.

Blue has not developed the field, but in 2007 he and former business partner Fenley Real Estate got approval for a change to its residential-only zoning to allow for a six-story hotel, restaurants, retail and apartments. Such a change can add to a property's value.

"We considered many opportunities, options and offers for the development of this site and are especially gratified that it will be used for such an upstanding purpose," Blue said in a statement.

The release describes the property as 34.5 acres, although it is listed as 36.7 acres by the PVA.

The VA plans a public town hall forum about the project for the evening of Aug.

15. The time and location is still being worked out, said Linda Thompson, an official with the VA in Louisville.

The 110-bed hospital, to start construction in 2014, would replace the VA's 60-year-old medical center at 800 Zorn Ave.

It would have clinics specializing in primary care, surgery and mental health, as well as programs for geriatric and extended care, home-based primary care and substance abuse residential rehabilitation treatment.