



Washington State  
**DEPARTMENT OF  
ENTERPRISE SERVICES**

## 2025 Annual Triad Meeting

November 20, 2025

1500 Jefferson Building, Room 2331

2:30 – 4:30 pm

### Meeting Summary:

- **Loss of Residential Housing and Commercial Use in South Capitol Neighborhood:** Jay Burney, Susan McLaughlin, and Olympia Councilmember Clark Gilman from the City of Olympia, along with John Saunders and other South Capitol Neighborhood Association representatives, discussed the ongoing issue of residential housing loss and commercial conversion in the South Capitol neighborhood, outlining the city's work plan for code enforcement and amendments, and inviting stakeholder feedback for future policy changes.
  - **Historical Context and Issue Scope:** Olympia City Manager Jay Burney and John Saunders, president of the South Capitol Neighborhood Association board of directors, described the long-standing issue of residential properties being converted to office buildings, resulting in vacant homes and loss of neighborhood character. The problem dates back to at least 2008, with cumulative effects now visible as entire blocks are vacant or converted, and the issue is distinct from home occupation regulations.
  - **Director's Interpretation and Code Enforcement:** Susan McLaughlin, Olympia Community Planning and Economic Development director, explained her recent interpretation memo, which clarified the definitions of commercial use and home occupation, noting that current home occupation codes are outdated and difficult to enforce. The city aims to update these codes to ensure equitable application citywide and address South Capitol neighborhood concerns.
  - **Comprehensive Plan and Code Amendments:** Susan McLaughlin outlined the need to reconcile comprehensive plan policies that support small-scale commercial uses citywide with specific policies to protect the South Capitol neighborhood from inappropriate conversions. The city plans to develop



code amendments in 2026-2027, focusing on conditional use permits and enforcement mechanisms.

- **Parking and Office Conversion Impacts:** Clark Gilman and Bill Talley discussed how some homes have been purchased for parking near legislative offices, with backyards converted to parking lots. Bill reported that, while there is increased parking demand, east campus garages have sufficient capacity, and the main concern remains the conversion of homes to office buildings rather than parking shortages.
- **Stakeholder Engagement and Next Steps:** The city will keep stakeholders informed about land use committee discussions and invites feedback, especially regarding specific addresses suspected of illegal conversion. The process will be complaint-based, and previous stakeholder recommendations will be reviewed for potential inclusion in future code changes.
- **Senate Bill 5421 and Small-Scale Commercial Uses:** Susan McLaughlin addressed concerns about Senate Bill 5421, which proposes to allow professional offices in residential zones, noting that the City of Olympia's current policies are aligned with the bill's intent but expressing reservations about office conversions and plans to provide alternate language to legislators.
  - **Policy Alignment and Concerns:** Susan McLaughlin stated that Olympia's comprehensive plan already supports small-scale commercial uses by conditional use permit, but the inclusion of professional offices in Senate Bill 5421 raises concerns about further residential-to-office conversions. The city will communicate these concerns to legislators and provide alternate language if the bill advances.
- **Capitol Way Corridor Project Update:** Sophie Stimson, Olympia transportation director, and Joey Jones, senior transportation project engineer, presented the Capitol Way Corridor Project, detailing plans for lane reallocation, bike lane additions, pedestrian improvements, and bus stop modifications, while addressing questions from stakeholders – including law enforcement and neighborhood representatives – about safety, enforcement, and project coordination.
  - **Project Scope and Design Features:** Joey Jones described the project's scope, which includes reducing vehicle lanes from four to three, adding bike



lanes, improving pedestrian crossings, and modifying bus stops. The project runs from Tumwater's boundary at Carlyon Ave to Union Avenue, with specific segments featuring separated bike lanes and parking-protected bike lanes.

- **Traffic Analysis and Timeline:** Traffic modeling indicates the lane reallocation will accommodate current and future volumes, with minor peak-hour delays expected. The project is in the concept phase, with a public open house scheduled, and aims for finalizing the design by the end of the year, with construction targeted for 2028-2030, pending grant funding.
- **Safety and Enforcement Concerns:** Captain John Matagi, Washington State Patrol, raised concerns about pedestrian safety, protest activity, and enforcement of bike lane blockages. City representatives acknowledged the challenges of managing protests and enforcement by ordinance and committed to consulting with law enforcement and considering physical barriers in design to mitigate risks.
- **Coordination with Campus Energy Projects:** It was noted that DES's central utility and campus energy projects may intersect with Capitol Way Corridor construction, emphasizing the need for coordination to avoid redundant street work and ensure efficient project sequencing.
- **Stakeholder Feedback and Flexibility:** Sophie emphasized the city's openness to feedback from DES, State Patrol, and the public, offering multiple design options for segments near the Capitol campus and highlighting the importance of flexibility to address campus-specific needs and event management.
- **Capital Campus Projects and Construction Updates:** Kim Sockle, Wesley Kirkman, and Ben Swanson from DES provided updates on ongoing and upcoming capitol campus projects, including the Newhouse building, Pritchard building, John L O'Brien building renovations, memorial installations, estuary restoration, and campus energy system replacement, detailing timelines, impacts, and coordination with city projects.
  - **Recent and Ongoing Building Projects:** DES representatives reported substantial completion of the Newhouse building, which achieved LEED Platinum status, and ongoing construction of the Pritchard building, with



major progress on superstructure and cladding. Utility work on 15th Avenue is nearly complete, with parking restoration planned for legislative session.

- **Upcoming Renovations and Street Work:** Renovations on the John L O'Brien building will begin after the legislative session, with minimal neighborhood impact. Water Street and 16th Avenue repaving is scheduled for next spring, and intersection closures with bollard installations will create permanent pedestrian and bicycle access.
- **Memorials and Statues:** Projects include installation of the Billy Frank Jr. statue, fallen firefighter memorial, and Cal Anderson memorial, with design and construction timelines extending into 2027. Locations and design elements were described, with stakeholder engagement highlighted for the Cal Anderson memorial.
- **Estuary Restoration and Demolition Projects:** The Deschutes Estuary Restoration Project, now led by the Department of Ecology, aims to improve water quality and habitat, with dam removal expected in the early 2030s. The General Administration Building demolition is scheduled for March 2026, with the site to be fenced until further funding is secured; temporary parking is not currently planned.
- **Campus Energy System Replacement:** DES is preparing to award a design contract for the campus energy system replacement, with design work through 2027 and construction from 2027 to 2034. The Newhouse building is designed to connect to the future upgraded system, and funding is primarily targeted from state sources, with openness to grants.

Follow-up tasks:

- **Code Enforcement Concerns:** Provide specific addresses of properties suspected to have been illegally converted to office buildings to City of Olympia staff for code enforcement review. (South Capitol Neighborhood Association)
- **Code Enforcement Concerns:** Review the list of suspected illegally converted properties provided by the South Capitol Neighborhood Association and determine if permits were pulled or if code violations exist. (Susan McLaughlin)



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- **Historic Documentation Sharing:** Send relevant historic documentation and recordings regarding home occupation code issues to Susan McLaughlin for review and consideration in upcoming code amendments. (Sue Hedrick)
- **Ordinance Review for Bike Lane Enforcement:** Consult with the Olympia Police Chief to determine whether enforceable ordinances regarding blocking bike lanes during protests should be considered or updated. (City of Olympia)
- **Project Coordination:** Coordinate the timing and construction plans for the Capitol Boulevard overlay project with the campus energy system replacement project to avoid conflicts and redundant street work. (Joey Jones, DES team)
- **State Patrol Input on Street Design:** Provide direct feedback from Washington State Patrol regarding protest management and engineering options for the Capitol Boulevard median to the City of Olympia project team. (John Matagi, State Patrol)
- **State Transportation Budget Advocacy:** Keep State Representative Beth Doglio informed of any requests or advocacy needed for state transportation budget support for the Capitol Corridor project. (Clark Gilman, City of Olympia)

**Next Scheduled Annual Triad Meeting:** November 19, 2026 from 2:30 – 4:30 pm