



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
HARBORS DIVISION  
79 S. NIMITZ HIGHWAY  
HONOLULU, HAWAII 96813

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASHI  
EDUARDO P. MANGLALLAN  
EDWIN H. SNIFFEN

IN REPLY REFER TO:

HAR-PM.0000715.22

August 18, 2022

**VIA EMAIL:** [suzanne.case@hawaii.gov](mailto:suzanne.case@hawaii.gov)

**TO:** (1) JADE T. BUTAY, DIRECTOR  
(2) SUZANNE D. CASE, CHAIRPERSON – DLNR  
C/O DARLENE FERREIRA  
(3) OLIVIA N. PHAM, ACTING SUPERVISOR, HAR-PM

**FROM:** EDUARDO P. MANGLALLAN   
DEPUTY DIRECTOR – HARBORS

**SUBJECT:** ISSUANCE OF LEASE BY DIRECT NEGOTIATION TO LIQUID  
ROBOTICS, INC., FOR NORTH SHED AND ADJACENT OPEN, PAVED  
AREA, SITUATED AT KAWAIHAE HARBOR, ISLAND OF HAWAII, TAX  
MAP KEY NOS. (3) 6-1-003:023 (P) AND (3) 6-1-003:048 (P), GOVERNOR'S  
EXECUTIVE ORDER NO. 1862

Attached is the subject submittal for your approval. Please have submittal placed on the next Land Board agenda.

If there are any questions, please contact Olivia Pham, Property Manager, Harbors Division, at (808) 587-1942.

Attachment



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASHI  
EDUARDO P. MANGLALLAN  
EDWIN H. SNIFFEN

IN REPLY REFER TO:

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

**HAWAII**

ISSUANCE OF LEASE BY DIRECT NEGOTIATION TO LIQUID ROBOTICS, INC.,  
FOR NORTH SHED AND ADJACENT OPEN, PAVED AREA, SITUATED AT  
KAWAIHAE HARBOR, ISLAND OF HAWAII, TAX MAP KEY NOS.  
(3) 6-1-003:023 (P) AND (3) 6-1-003:048 (P), GOVERNOR'S EXECUTIVE  
ORDER NO. 1862

**LEGAL REFERENCE:**

Sections 171-6, 171-13, 171-17, 171-55, and 171-59, Hawaii Revised Statutes (HRS), as amended.

**APPLICANT:**

Liquid Robotics, Inc. (Applicant), is a foreign profit corporation company whose business registration and mailing address is 460 Herndon Parkway, Herndon, Virginia 20170

**CHARACTER OF USE:**

The Applicant's proposed uses are as follows:

- For the research, development, and assembly of Uncrewed Surface Vessels (USVs), utilizing a major technological development that furthers the maritime industry, and
- To conduct other operations or activities after obtaining Department of Transportation, Harbors Division's (DOTH) prior written approval, which is reasonably necessary or incidental to the conduct of the Applicant's research, development, and assembly of USVs at Kawaihae Harbor.

**LOCATION:**

Portions of governmental lands situated at Kawaihae Harbor, Tax Map Key Nos. (3) 6-1-003:023 (P) and (3) 6-1-003:048 (P), Governor's Executive Order No. 1862, as shown on the attached map labeled Exhibit A.

**AREA:** See attached Exhibits A and B

The proposed lease premises area encompasses a total of 25,203 square feet of land, which is composed of the following four (4) portions:

- 3,468 square feet of warehouse space
- 132 square feet of office space
- 2,400 square feet of overhang space
- 19,203 square feet of open paved land

**CONSIDERATION:**

Annual land rent determined by appraisal pursuant to Section 171-17, HRS, valuation effective January 1, 2023, which is as follows:

- Years 1 to 5                      \$80,890.00 per annum

**ZONING:**

State Land Use Commission:	Urban
County of Hawaii:	MG-1a (General Industrial District)

**COMMENCEMENT DATE:**

To be determined by the Director of the Department of Transportation.

**TRUST LAND STATUS:**

Public Land Trust Information System has TMK No. (3) 6-1-003:048 (P) listed as undetermined and TMK No. (3) 6-1-003:023 (P) listed as subsection 5(b) of the Hawaii Admission Act (ceded lands).

**CURRENT USE STATUS:**

The Applicant currently occupies the premises under Harbor Lease No. H-12-52, for the purpose of conducting research, development, assembly of USVs, a major technological development that furthers the maritime industry.

**LAND TITLE STATUS:**

Under the control and management of the DOTH, through issuance of Governor's Executive Order No. 1862.

## **CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:**

This use is exempt from the Office of Environmental Quality Control (OEQC) requirements pursuant to Section 11-200.1, Hawaii Administrative Rules (HAR), which exempts the following:

“Exemption Class 1: Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing.”

The DOTH deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with Section 11-200.1-16(b), HAR. The exemption declaration for the action described above is based on the Exemption List for the DOTH, reviewed and concurred to by the Environmental Council on February 1, 2022.

## **REMARKS:**

### Background:

The Applicant currently occupies the premises under Harbor Lease No. H-12-52, which will expire on December 31, 2022. The Applicant wishes to continue its occupancy under a new long-term lease. Its facility at Kawaihae Harbor is the main hub for development and ocean testing.

The Applicant’s USVs are capable of collecting and communicating ocean data in real time, even through unpredictable conditions. These USVs collect underwater data and communicates it to satellites and land to provide real time data.

### Maritime and maritime-related operations:

The Applicant develops, tests, produces, and operates maritime technologies, primarily USVs that are capable of long endurance operations due to its unique wave propulsion, navigation, and solar power systems. Such USVs serve as data collection platforms similar to moored buoys but have the added ability to navigate thousands of miles while doing so. The Applicant’s product provides real time data to many maritime fields and industries, that include but are not limited to, oceanic research, natural resources management, commercial maritime activities, and maritime security.

### Disposition encourages competition:

The Applicant’s state of the art technology presents an opportunity for new competitors to enter a largely unexplored market, utilizing USVs in many different aspects to help further the maritime and maritime-related industries. In a similar manner,

Sea Engineering, Inc., also maintains and operates remotely operated vehicles that support marine operations throughout the Hawaiian Islands; this disposition would provide competition to Sea Engineering, Inc., and other firms of a similar nature to promote innovation and improvement to existing technology, ultimately modernizing and supporting the maritime industry.

**RECOMMENDATION:**

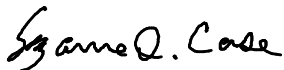
That the Board authorize the DOTH to directly negotiate with the Applicant and issue a lease for a term of five (5) years for the above-stated purposes, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State.

Respectfully submitted,



JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson and Member  
Board of Land and Natural Resources



Being a portion of Parcel B (Kawaihae Harbor Project), Executive Order 1862 (CSF 12,825)

Prepared By:  
Imata and Associates, Inc.  
171 Kapiolani Street  
Hilo, Hawaii 96720

**This work was prepared by  
me or under my supervision**

Natalie K. Bonati

**Natalie K. Imata**  
**Licensed Professional Land Surveyor**  
**Certificate Number 5816**  
**Expires: April 30, 2010**

**September 1, 2009**

**Tax Map Key: 3rd Div. 6-1-03: 23 (Portion)**

Job Number 98-38 (Liquid)

Exhibit A  
Page 1 of 1



LIQUID ROBOTICS, INC. SITE

LAND SITUATED AT KAWAIHAE 1<sup>ST</sup>, SOUTH KOHALA,  
ISLAND OF HAWAII, HAWAII.

Being a portion of Parcel B (Kawaihae Harbor Project),  
Executive Order 1862 (CSF 12,825).

Beginning at the northwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HEIAU", being 3,910.39 feet North and 3,286.93 feet West, thence running by azimuths measured clockwise from true South:

Along the remainder of Parcel B  
(Kawaihae Harbor Project), Executive  
Order 1862 (CSF 12,825) for the next  
seven (7) courses, the direct azimuths  
and distances being:

- |    |          |   |
|----|----------|---|
| 1. | 296° 15' | 103.07 feet;  |
| 2. | 26° 58'  | 10.11 feet;   |
| 3. | 296° 58' | 122.51 feet;  |
| 4. | 26° 58'  | 114.18 feet;  |
| 5. | 117° 12' | 156.18 feet;  |
| 6. | 148° 51' | 83.60 feet;   |
| 7. | 208° 08' | 78.22 feet to the point of beginning and containing<br>an area of 25,203 Square Feet. |

The following are usage of the site:

Warehouse = 3,468 Square Feet

Liquid Robotics, Inc. Site  
Page 1 of 2



Office = 132 Square Feet  
Overhang = 2,400 Square Feet  
Total Building Usage = 6,000 Square Feet  
Open Paved Area = 19,203 Square Feet  
Total Site Area = 25,203 Square Feet



Natalie K. Imata  
Natalie K. Imata  
Licensed Professional Land Surveyor  
Certificate No. 5816 Exp. April 2010

Tax Map Key: 3<sup>rd</sup> Div. 8-1-03: 23 (Portion)

Liquid Robotics, Inc. Site  
Page 2 of 2

