



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

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

HAWAII

AUTHORIZE ONE-YEAR HOLDOVER OF HARBOR LEASE NO. H-12-52 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, 171-35, 171-36, 171-40, 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 prior written approval by Department of Transportation, Harbors Division (DOTH), which is reasonably necessary or incidental to the conduct of the Applicant's research, development, and assembly of USVs at Kawaihae Harbor.

LEASE TERM:

Ten years, commenced on January 1, 2012, and expires December 31, 2022.

ONE-YEAR HOLDOVER PERIOD:

January 1, 2023, to December 31, 2023

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, is as follows:

- \$68,425.00 per annum, paid quarterly in the amount of \$17,106.25.

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, and 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 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, based on the Exemption List for the DOTH, reviewed and concurred to by the Environmental Advisory Council on February 1, 2022, is as follows: “Exemption Type 1, Part 1, No. A1.”

REMARKS:

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, for which the Board authorized DOTH to directly negotiate with the Applicant at its meeting on September 9, 2022.

The Applicant's 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 communicate to satellites and land to provide real time data.

Currently, the DOTH is working with the Department of the Attorney General on negotiation of lease terms with the Applicant for a five-year Lease.

RECOMMENDATION:

That the Board authorizes a one-year holdover for Harbor Lease No. H-12-52 for the period of January 1, 2023, to December 31, 2023, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

- The standard terms and conditions of the most current holdover of lease form, that may be amended from time to time.
- Review and approval by the Department of the Attorney General.

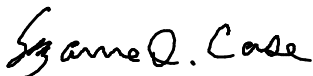
Based on this submittal, testimony, and facts presented, the Department of Transportation recommends that the Board finds that approving the authorization of a one-year holdover for Harbor Lease No. H-12-52 to the Applicant including its conditions and rent, will serve the best interest of the State.

Respectfully submitted,



JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



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

LIQUID ROBOTICS, INC. SITE

LAND SITUATED AT KAWAIHAE 1ST, 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
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: 3rd Div. 8-1-03: 23 (Portion)

Liquid Robotics, Inc. Site
Page 2 of 2





**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
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LEGAL REFERENCE:

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APPLICANT:

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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
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- 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:

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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:

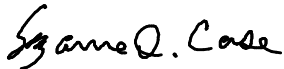
That the Board authorize the DOTH to directly negotiate with the Applicant and issue a lease for a term of five (5) years for the above-stated purposes, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions as may be prescribed by the Director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

Respectfully submitted,

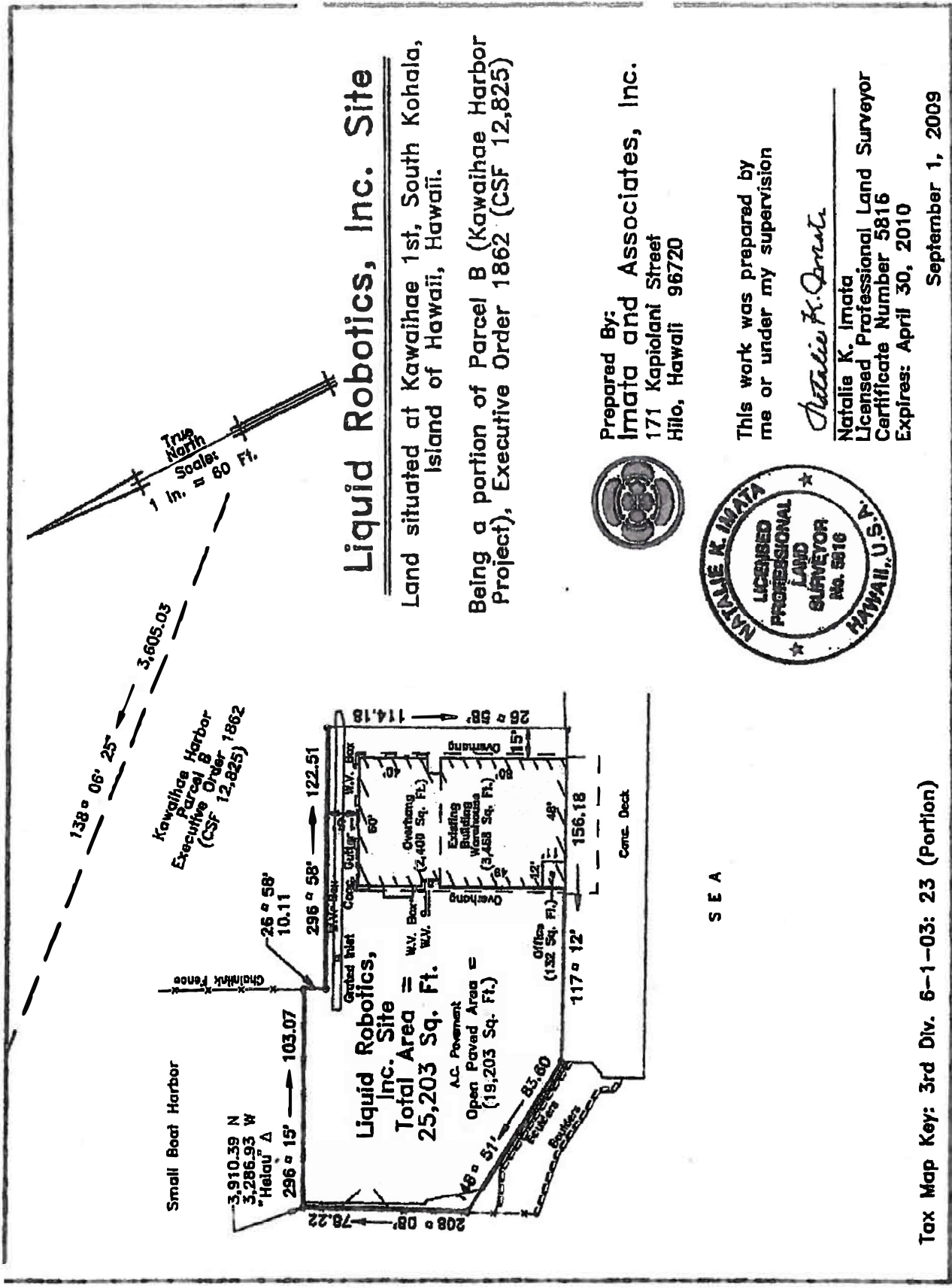


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



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



Liquid Robotics, Inc. Site

Land situated at Kawaihae 1st, South Kohala, Island of Hawaii, Hawaii.

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. Imata

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)



LIQUID ROBOTICS, INC. SITE

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