

UniSource Energy Breaks Ground on New Downtown Headquarters Building

TUCSON, Ariz., May 24, 2010 (BUSINESS WIRE) -- Tucson Mayor Bob Walkup joined Paul Bonavia, Chairman, President and CEO of UniSource Energy Corporation (NYSE: UNS), and other officials in a groundbreaking ceremony this morning to formally kick off construction of the company's new headquarters building.

Walkup and Bonavia joined members of the building's development and design team in turning ceremonial shovels of dirt on the two-acre downtown lot where excavation crews have already begun preparing for construction of the UniSource Energy building.

The nine-story building will provide 170,000 square feet of office space for more than 425 employees of Tucson Electric Power (TEP), the company's principal subsidiary. The building also will include nearly 11,000 square feet of ground-floor retail space as well as a conference center, meeting rooms and about 500 parking spaces. Construction is scheduled to be complete before the end of 2011.

"We're proud to be laying a new foundation for our new headquarters in the heart of downtown Tucson, where TEP got its start more than a century ago," Bonavia said. "This new building will help us work together more efficiently and effectively while showcasing the benefits of sustainable, energy-efficient design."

The building has been designed from the ground up to conserve energy. Its rectangular footprint will minimize exposure to direct sunlight from the east and west, and an integrated shade structure will shield its western face. The exterior will be clad with high-efficiency glass, while the interior will feature energy-saving lights, HVAC units and other mechanical systems. A rainwater harvesting system will help ensure that all landscaping needs are met with recycled water, while a photovoltaic array will help power the building, including electric vehicle charging stations for employees and visitors.

"The energy-saving features of this remarkable new building reflect the strong environmental values that TEP shares with this community," Tucson Mayor Bob Walkup said. "While some utilities just talk about sustainability and energy efficiency, TEP is clearly stepping up to lead by example."

UniSource Energy plans to secure a Leadership in Energy and Environmental Design (LEED) Certification for the new building from the U.S. Green Building Council to ensure that it meets high standards for energy-efficient construction and environmentally sensitive design.

"At every step in the design process, UniSource Energy has challenged us to find cost-effective ways to increase energy efficiency," said Mike Davis, CEO and Director of Design for DAVIS, the principal design firm. "This building will send a strong message about this company's commitment to conservation."

Construction of the UniSource Energy building also will help revitalize downtown Tucson, said Philip Swaim, President of Tucson-based Swaim Associates, which is the local design partner for the project.

"It's been said by critics that the city's efforts to improve downtown infrastructure before we've fully developed the projects like this amounts to putting the cart before the horse," Swaim said. "This building represents a really big horse."

The City of Tucson's dedication to downtown development has been evident in its prompt, professional attention to this project, said Todd Holzer, vice president of Southwest operations for Ryan Companies, the building's developer.

"We've been able to keep on schedule thanks in large part to the hard work of city staff," Holzer said. "I think we all appreciate the importance of this project. We're building a world-class, energy-efficient headquarters for the largest publicly traded company that calls Tucson home. It's a very significant project for everyone involved."

UniSource Energy's primary subsidiaries include Tucson Electric Power, which serves more than 400,000 customers in southern Arizona, and UniSource Energy Services, provider of natural gas and electric service for about 235,000 customers in northern and southern Arizona. For more information, visit uns.com.

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