

LUCK STONE CORPORATION

FISCAL ECONOMIC IMPACT ON HANOVER COUNTY, VIRGINIA



Prepared for

LUCK  **STONE**

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MANGUM 
economics

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About Mangum Economics, LLC

Mangum Economics was founded in 2003 and since then, we have become known as a leader in industry analysis, economic impact assessment, policy and program evaluation, and economic and workforce strategy development. The Mangum Team specializes in producing objective and actionable quantitative economic research that our clients use for strategic decision making in a variety of industries and environments. We know that our clients are unique, and that one size does not fit all. As a result, we have a well-earned reputation for tailoring our analyses to meet the specific needs of specific clients, with a specific audience.

Most of our research falls into four general categories:

- **Economic Development and Special Projects:** The Mangum Team has performed hundreds of analyses of proposed economic development projects and existing entities including museums and tourist attractions, hospital systems, industrial development and mixed-use projects, and economic development regions. The Mangum Team has also authored multiple economic development plans and assessed the impacts of international trade and an overseas trade office.
- **Energy:** The Mangum Team has produced analyses of the economic and fiscal impact of over 35 GW of proposed solar, wind, battery energy storage, and hydro project spanning more than thirty states ranging from 1 MW to over 800 MW in capacity, including small-scale distributed facilities. Among those projects was Dominion's 2.6 GW Coastal Virginia Offshore Wind project off of Virginia Beach. In addition, the Mangum Team has also performed economic and fiscal impact analyses for the natural gas, nuclear, oil, and pipeline industries.
- **Advanced Applied Technology:** The Mangum Team specializes in analyzing how advanced technology developments (like data centers, fiber networks, and advanced manufacturing plants) contribute to the state and local economies. We have worked with local governments, trade associations, developers, and operating firms across the country to show how investments in advanced critical infrastructure transform local economies across the country.
- **Policy Analysis:** The Mangum Team also has extensive experience in identifying and quantifying the intended and unintended economic consequences of proposed legislative and regulatory initiatives.

The Project Team

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Fiscal Economic Impact of Luck Stone Corporation

This summary assesses the economic and fiscal contribution that the proposed Luck Stone Corporation project would make to Hanover County, Virginia. This report was commissioned by Luck Stone Corporation and produced by Mangum Economics.

Luck Stone Corporation proposes a project to build a quarry including processing and shipping functions. The development of the quarry project could lead to two additional related user projects by other companies, including asphalt and concrete operations. The projects would be located on approximately 1,300 acres in Hanover County, near the Caroline County border. Luck Stone Corporation would invest approximately \$66.0 million in construction and equipment in the project while the two related users would invest a total of approximately \$12.8 million in equipment.

The primary findings from the assessment are as follows:

Economic Contribution

The Luck Stone Corporation project and two related user concrete and asphalt projects would make an economic contribution to Hanover County during the construction and ongoing operational phases.

Construction Phase

The proposed Luck Stone Corporation project would make an economic contribution to Hanover County during its construction phase. The proposed project would provide a one-time pulse of economic activity to Hanover County during its construction phase supporting approximately: 1) 29 job years, 2) \$2.1 million in wages and benefits, 3) \$7.2 million in economic output, and 4) \$0.2 million in state and local tax revenue (in 2025 dollars). The two related user concrete and asphalt projects were not modeled due to data limitations.

Table 1: Estimated One-Time Economic and Fiscal Impact on Hanover County from Construction of the Luck Stone Corporation Project (2025 Dollars)^{1,2}

Economic Impact	Employment	Wages and Benefits	Output
1st Round Direct Economic Activity	23	\$1,730,000	\$6,000,000
2nd Round Indirect and Induced Economic Activity	6	\$361,000	\$1,175,000
Total Economic Activity	29	\$2,091,000	\$7,175,000
Fiscal Impact			
State and Local Tax Revenue			\$165,900

¹ A construction sector job, also referred to as a job year, is equal to one job over one year. It is used to denote employment on construction projects to account for the fact that actual on-site employment may vary over the period.

² It is important to note that construction sector jobs are not necessarily new jobs, but the investments made can also support a job during the construction of the project. Please note it is not possible to know with certainty what proportion of jobs would go to county construction contractors or be filled by county residents.

Ongoing Operations Phase

The proposed projects by Luck Stone Corporation and related users, including asphalt and concrete operations, would make an economic contribution to Hanover County during their ongoing operational phase. The proposed projects would on average provide an annual economic impact to Hanover County supporting approximately: 1) 74 jobs, 2) \$5.6 million in wages and benefits, and 3) \$23.7 million in economic output (in 2025 dollars).

Table 2: Estimated Annual Economic Impact on Hanover County from the Ongoing Operation of the Luck Stone Corporation and the Asphalt and Concrete Operations Projects (2025 Dollars)

Economic Impact	Employment	Wages and Benefits	Output
1st Round Direct Economic Activity	50	\$4,114,000	\$18,854,000
2nd Round Indirect and Induced Economic Activity	24	\$1,470,000	\$4,822,000
Total Economic Activity	74	\$5,584,000	\$23,676,000

The proposed three projects would support well paying jobs in Hanover County. The average salary for the three projects' 50 direct jobs is \$64,719³, which is 19.4 percent higher than Hanover County's 2023 average salary of \$54,212.⁴

Fiscal Contribution

The proposed Luck Stone Corporation and two related user concrete and asphalt projects would make a significant fiscal contribution to Hanover County. The proposed projects would generate approximately \$329,800 in annual tax revenue for Hanover County. This total consists of approximately \$284,300 generated by the proposed Luck Stone Corporation project and approximately \$45,500 by the two related user concrete and asphalt operations (in 2025 dollars).

Table 3: Estimated Annual Hanover County Tax Revenue Generated by the Luck Stone Corporation and the Asphalt and Concrete Operations Projects at Full Build-Out and Operation (2025 Dollars)⁵

	Estimated Taxes
Luck Stone Corporation Project	\$284,300
Asphalt and Concrete Operations ⁶	\$45,500
Estimated Total Annual Tax Revenue	\$329,800

³ Luck Stone Corporation.

⁴ U.S. Bureau of Labor Statistics, QCEW, Private Employers.

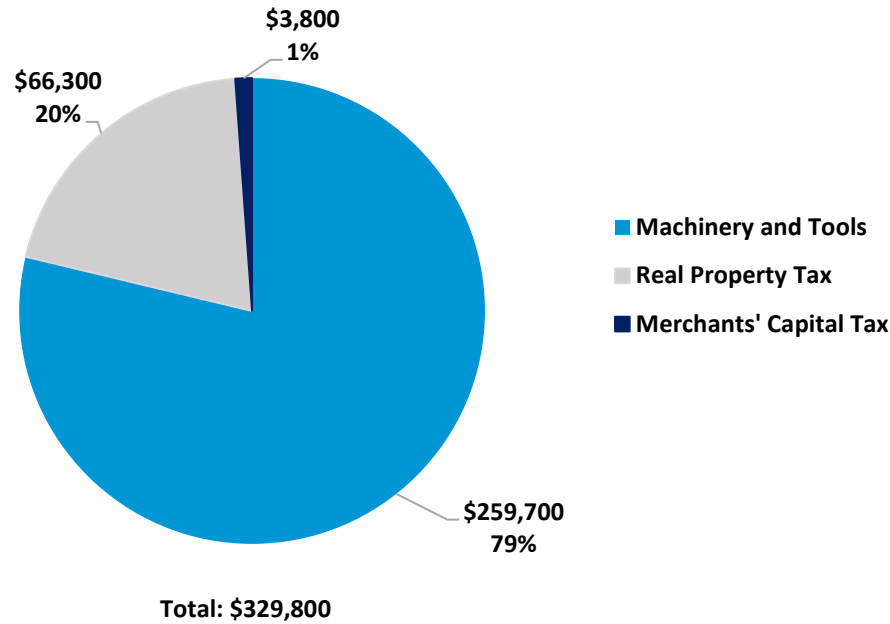
⁵ Calculated based on investment and inventory assumptions provided by Luck Stone Corporation and current tax rates and depreciation schedules.

⁶ Machinery and Tools Tax only.



The estimated total annual tax revenue of approximately \$329,800 consists of approximately: \$259,700 in machinery and tools tax revenue, \$66,300 in real property tax revenue, and 3,800 in merchants' capital tax revenue (in 2025 dollars).

**Estimated Annual Local Tax Revenue by Type from Luck Stone Corporation
and the Asphalt and Concrete Operations
(2025 Dollars)**



The estimates provided in this report are based on the best information available and all reasonable care has been taken in assessing the quality of that information. However, because these estimates attempt to foresee the consequences of circumstances that have not yet occurred, it is not possible to be certain that they will be representative of actual events. These estimates are intended to provide a good indication of likely future outcomes and should not be construed to represent a precise measure of those outcomes.

Appendix – Impact of Only Luck Stone Corporation

Economic Contribution

Construction Phase

Table A1: Estimated One-Time Economic and Fiscal Impact on Hanover County from Construction of the Luck Stone Corporation Project (2025 Dollars)

Economic Impact	Employment	Wages and Benefits	Output
1st Round Direct Economic Activity	23	\$1,730,000	\$6,000,000
2nd Round Indirect and Induced Economic Activity	6	\$361,000	\$1,175,000
Total Economic Activity	29	\$2,091,000	\$7,175,000
Fiscal Impact			
State and Local Tax Revenue			\$165,900

Ongoing Operations Phase

Table A2: Estimated Annual Economic Impact on Hanover County from the Ongoing Operation of the Luck Stone Corporation Project (2025 Dollars)

Economic Impact	Employment	Wages and Benefits	Output
1st Round Direct Economic Activity	34	\$2,912,000	\$10,606,000
2nd Round Indirect and Induced Economic Activity	14	\$932,000	\$3,111,000
Total Economic Activity	48	\$3,844,000	\$13,717,000

The proposed Luck Stone Corporation project would support well paying jobs in Hanover County. The average salary for the project's 34 jobs is \$68,470⁷, which is 26.3 percent higher than Hanover County's 2023 average salary of \$54,212.⁸

⁷ Luck Stone Corporation.

⁸ U.S. Bureau of Labor Statistics, QCEW, Private Employers.

Fiscal Contribution

Table A3: Estimated Annual Hanover County Tax Revenue Generated by the Luck Stone Corporation
Project at Full Build-Out and Operation (2025 Dollars)⁹

	Estimated Taxes
Machinery and Tools Tax	\$214,200
Real Estate Tax	\$66,300
Merchants' Capital Tax	\$3,800
Estimated Total Annual Tax Revenue	\$284,300

⁹ Calculated based on investment and inventory assumptions provided by Luck Stone Corporation and current tax rates and depreciation schedules.