

Memo

To: Mayor and City Commissioners
From: Department of Economic Development
Date: June 3, 2025
Re: Small Business Incentive Program Update

Small Business Incentive Changes - FY 2026 and beyond

The Department of Economic Development is recommending the following changes to the Small Business Incentive programs as detailed below. The purpose of these changes is to ensure the programs remain attractive to small businesses and property owners looking to make investments in their commercial buildings. The guidelines and scoring sheets have been updated in such a way as to ensure funding assistance is awarded to small businesses and property owners demonstrating a significant need for assistance. Lastly, the application packets have been updated to be more concise and organized than the previous version, utilizing a fillable PDF format.

Façade Improvement Forgivable Loan

- Award amount increased from \$6,000 to \$10,000.
- Purpose Statement updated to better reflect goal of revitalizing severely distressed properties.
- Added new category to the scoring sheet: Existing state of façade (up to 4 points; 1=minor distress, 4=extreme deterioration)
- Explicitly state that meeting with the Historic Preservation Officer and issuance of a Certificate of Appropriateness (COA) is a requirement.
- Removed Flower Boxes from eligible costs.
- Removed Bonus Points and application question for women, minority, LGBTQ+, Covington Police and Fire, and veteran-owned businesses.

Rent Subsidy Incentive

- Under repayment terms, clarified that the monitoring period is 2-years (first year subsidy, second year retention); minimum 2-year lease.
- Defined FTE – “1 point per Full-Time Equivalent (FTE) employee up to 5 points. Divide all hours worked by all employees in a year by 1,560 (30 hrs/week = 1 FTE for purposes of this application).”
- One rent subsidy per lifetime of company.
- Operators and tenants of accelerators, incubators and co-working spaces are ineligible.
 - ***However, tenants which move to a brick-and-mortar location upon exiting the accelerator, incubator or co-working space will be exempt from the program’s requirement that they be open less than 120 days prior to application deadline so long as all other requirements are met (e.g. minimum 2-year lease, etc.)
- Scoring Criteria changes:
 - Impact on underutilized property. 6 months is the new minimum to score points. Previously 3 months.

- Number of FTE's created over the 2-year period (up to 5 points) +1 bonus point for commitment to hire Covington residents
- Strength of business plan
 - For startup, provide projected 3-year financials (3 points)
 - For existing business, provide prior 3-year financials and description of expansion plan (3 points)
 - +1 bonus point for verification they've met with SBDC, Aviatra, AACC, etc.
- Type of Product or Service changed to Alignment with City's Economic Development Strategy.
- Remove Visibility category.
- Removed Bonus Points and application question for women, minority, LGBTQ+, Covington Police and Fire, and veteran-owned businesses.

Historic Electric Sign Program

- Public/Private percentage match was changed from 75%/25% to 80%/20%.
- The total project reimbursement increased from \$7,500 to \$10,000.
- Scoring Criteria: Willingness to work with partners and consultation with the American sign museum has been removed.
- Removed Bonus Points and application question for women, minority, LGBTQ+, Covington Police and Fire, and veteran-owned businesses.



Rent Subsidy Incentive

PROGRAM GUIDELINES AND APPLICATION

Revised 4/7/2025



Rent Subsidy Incentive

Program Guidelines and Application

Contents

Purpose.....	2
Eligibility.....	3
Rent Reimbursement	5
Program Requirements.....	5
Application Process	6
Exhibit A – Application	7
Exhibit B – Rating Sheet	11



Purpose

The Rent Subsidy Incentive is part of Covington's Small Business Program, designed to stimulate the establishment of new businesses and help existing businesses expand. It offers financial assistance in the form of reimbursement of rent payment, up to half of the business's monthly rent or \$500 per month (whichever is less). This incentive is available for up to twelve months, within the first eighteen months of business. The goal is to support small business growth, create jobs, leverage private investment, and have a catalytic effect on the community.

Applications are reviewed quarterly. All proposals are due by the final submission deadline and must have the required attachments to be considered.

	Final Submission Deadline
Round 1	
Round 2	
Round 3	
Round 4	

City staff will review all applications and recommend funding awards based on the criteria in the program guidelines and rating sheet. The application and rating sheet are attached to these guidelines as Exhibit A and B, respectively. If City staff recommends funding for your project, the Program Administrator will present your project to the City of Covington Board of Commission for approval. Funding agreements will be executed following Commission approval. Please be aware that this process can take 6-8 weeks. Submission of an application is not a guarantee of funding.

Submit Completed Application Packet to:

Patrick Duffy, Program Administrator
859.292.2141

PDuffy@covingtonky.gov

20 West Pike Street Covington, KY 41011



Eligibility

Applicants must meet all the following eligibility requirements.

1. Applicant must be a corporation, firm, partnership, limited liability company, sole proprietorship, or similar entity engaging or intending to engage in commercial activity.
2. The following business types are not eligible.
 - a. Businesses who are renting in a publicly owned building
 - b. Check cashing
 - c. Home businesses
 - d. Vape shops
 - e. Businesses who do not report employee's wages to the City of Covington
 - f. Businesses where the ownership also owns the real estate at the property
 - g. Businesses not allowable by zoning requirements
 - h. Operators and tenants of accelerators, incubators and co-working spaces
 - i. However, tenants which move to a brick-and-mortar location upon exiting the accelerator, incubator or co-working space will be exempt from the program's 120-day requirement (defined in 6(a) below)
3. Applicant must have an executed multi-year lease for its business enterprise (two-year minimum) or be able to execute the lease within 3 months and open for business within 3 months of when the landlord made the property available to the tenant. Please note that the City reserves the right to include a deadline in the program agreement which sets a date by which the business must be open and operational. If applicant is approved by Commission and a prospective business does not meet these deadlines, allocated funding will be released and the City will move onto the next qualified applicant.
 - a. Rents must not exceed the fair market rent for the area and quality of the space.
 - b. Businesses must establish, keep, and contractually agree to regular, set, operating hours that are equal to or greater than 30 hours per week.
4. Applicant must employ a minimum of one (1) full-time equivalent employee whose wages are reported to the City of Covington (and subject to the City's payroll tax), Commonwealth of Kentucky, and federal government.
 - a. A position occupied by the owner may count as the one required job position.
 - b. If any employees are 1099, business must complete the 1099-SF City form to disclose 1099 payments they made so that the City can ensure all of the entities that received those payments have filed a net income tax return.
5. Unless given permission before applying, applicant cannot apply for a Rent Subsidy if there is an active Façade Incentive that has yet to be completed at the same PIDN where the business is locating. Once the façade project is complete, the business may apply



for a rent subsidy in the subsequent round. Staff may give permission to waive this requirement if, by not applying in this round, the business falls outside of the eligibility requirement of being open less than 120 days prior to application deadline.

6. Applicant must be a new commercial enterprise or a substantial expansion of an existing commercial enterprise.
 - a. A new business is eligible if they have been open for less than 120 days prior to application deadline and meet all requirements herein.
 - b. Assistance may not be provided to a business that is relocating its operations from one commercial space to another within the city of Covington unless there is a significant expansion of the business's operations.
 - c. To qualify as a "substantial expansion", an existing business must expand to occupy more than one hundred fifty percent (150%) of its current space and
 - i. Have tenant improvement expenses in excess of \$5,000. Verification of this threshold must be provided in the application package; and
 - ii. Create at least one (1) additional full-time equivalent employee.
7. The property owner must be properly licensed to operate within the City of Covington, Kenton County, and Commonwealth of Kentucky; meet all City of Covington zoning requirements; and meet all local and state building and health code requirements where applicable.
8. The property owner and associated entities who have received prior City funding must be in compliance with City of Covington Good Standing Ordinance. Pursuant to City of Covington Code of Ordinances § 35.003, applicants and affiliated entities for this program must not have made or filed pending adverse claims against the City in the form of settlement demands and/or lawsuits; nor shall they be delinquent on their obligations to pay loans, fines, liens, or other obligations owed to the City (e.g. code violations, permit violation, liquor license, etc.).
9. In accordance with the City of Covington's Code of Ordinances Human Rights Commission requirements, § 32.040 et. seq., the Business shall not discriminate on the basis of any protected class, including but not limited to: race, color, religion, sex, sexual orientation, gender identity, age, national origin, ancestry, marital status, parental status, familial status, place of birth, disability, or natural texture, color of hair, hair styles, or protective hair styles (including, but not limited to braids, locks, twists, and coverings).



Rent Reimbursement

Rental expenses incurred prior to the execution of an agreement with the City are not eligible for reimbursement.

1. The maximum total benefit per business is \$6,000. This program offers financial assistance in the form of reimbursement of rent payments of up to half of the business's monthly rent or \$500 per month (whichever is less). Eligibility for assistance is up to twelve months, anytime within the first eighteen months after the landlord has leased the property to the tenant. A business will be eligible starting the second month of operation.
2. After approval, business must sign and submit a monthly reimbursement request (attached as an exhibit to their contract) and attach a canceled check or digital proof of payment for the rent payment to the landlord to be reimbursed.

Program Requirements

1. Source of Funds: All sources of funds for the project must be identified when the application is submitted to the City and in place at the time of the award agreement.
2. Open & Operational: The business owner is responsible for the first month of rent once the business is open and operational. Once an application is approved, rent incentive payments are eligible to be requested during the second full month a business is open for business, operational, and meets all the criteria of the Rent Subsidy Incentive.
3. Site Visits: City staff will conduct a site visit before payments begin in order to verify that the business is in operation. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the agreement.
4. Discontinuation of Payment: The receipt of past payments is no guarantee of future payments. The City of Covington retains the right to discontinue incentive payments at any time if the business ceases to comply with program requirements.
5. Repayment terms: The monitoring period is 2 years. Full repayment of the rent incentive is required should the business choose to relocate outside the City of Covington within 2 years.
6. Ribbon cutting: Ribbon Cuttings are a great way to celebrate and bring attention to your business. These can be coordinated with the City through our Business Attraction Manager, Susan Smith: susan.smith@covingtonky.gov



Application Process

1. Schedule: After submitting an application, applicants will hear back from the Project Administrator within three weeks of the round's application deadline about whether they have been recommended for funding or not. If an applicant has been recommended for funding, their application will be forwarded to City Commission for final approval. Please be aware that this process can take 6-8 weeks.
2. Application: Due to the competitive nature of this program, the City will not accept incomplete applications. Please see required documentation checklist in attached application.
3. Application Evaluation Criteria: Applicants should review the rating sheet and demonstrate why their project should receive city funding. This is your opportunity to stand out from the crowd. City Staff reserves the right to recommend applicants to City Commission for final approval based on the strength of individual applications.
4. Appeals: If an applicant is not recommended for funding, applicants may appeal their request directly to the City Manager, who has final determination. The City Manager's review shall be limited to the materials submitted in the applicant's application.
5. Conflict of Interest: Applicants shall ensure a conflict of interest does not exist. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected or appointed official to the City of Covington; and if the applicant exercises or has exercised any functions or responsibilities with respect to funds for this program, or participates in the decision-making process related to funds for this program, or is in a position to gain inside information with regard to program activities. If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from the City of Covington. Additionally, the prohibition against conflicts of interest, gratuities and kickbacks in KRS 45A.455 are specifically incorporated herein.

Submit Completed Application Packet to:

Patrick Duffy, Program Administrator
859.292.2141

PDuffy@covingtonky.gov

20 West Pike Street Covington, KY 41011



Exhibit A – Application

Rent Subsidy Incentive Application

APPLICANT INFORMATION

New or Existing Covington Business? _____

Legal Business Name (as registered with the KY SOS): _____

Doing Business As: _____

Business Address (may be project address): _____

Other legal entities associated with
business owner who've received prior City funding: _____

Covington Occupational License # (if available): _____

Applicant Name: _____ Phone: _____

Email: _____

BUSINESS INFORMATION

Does business have other Covington
locations, if so where and since when: _____

Number of existing Covington employees: _____

Type of Business or NAICS code: _____

Service/Product: : _____

Hours of Operation: _____



Briefly describe your business, service/product, vision, and what drew you to the location & to Covington (this is your grant pitch, please attach additional details if needed).

UNDERUTILIZED PROPERTY INFORMATION

Property Address for which this application is being made: _____

How long has the commercial space been vacant? _____

Square Footage: _____

Expected Opening Date: _____

FINANCIAL INFORMATION

Do you have a two or more year executive lease agreement? _____

Length of lease: _____

Monthly Rental Rate: \$ _____

Landlord Name & Email: _____

Total Private Start-Up Investment (do not include rent): \$ _____

Have these funds been spent? _____

EMPLOYMENT

Estimated New Annual Payroll at project site: \$ _____

Number of New Employees: _____

Does your hiring plan include a preference for hiring Covington residents? _____



Supporting Documentation Checklist

Please EMAIL your application packet with the following documentation.

- Completed and signed application
- A copy of an executed or proposed commercial lease agreement with a minimum two-year term
- Bank statement or bank letter showing available funds for full start-up costs
- A copy of all business and occupational licenses, including a copy of the corporate documents with the [KY Secretary of State](#)
- Business plan
 - For startups, an executive summary and three-year financial projections of revenues and expenses (including estimated payroll)
 - For expanding businesses, an executive summary and prior three-year financials
- Resumes of business owners, including qualifications, experience, and track record
- Completed W-9

Optional

- Bonus: Letter from either the KY Small Business Development Center or the African American Chamber of Commerce stating that applicant has met with them and reviewed current business plan
- Bonus: Support letter from a neighborhood community council/business association
 - [The Center for Great Neighborhoods](#)
 - [Covington Business Council](#)
 - [Latonia Business Association](#)



CERTIFICATION AND WAIVER OF PRIVACY

I, the undersigned, applicant(s) certify that all information presented in this application, and all of the information furnished in support of the application, is given for the purpose of obtaining a grant or forgivable loan under the City of Covington Small Business Program, and it is true and complete to the best of the applicant(s) knowledge and belief. The applicant(s) further certifies that he/she is aware of the fact that he/she can be penalized by fine and/or imprisonment for making false statements or presenting false information.

I understand that this application is not a guarantee of grant assistance. Should my application be approved, I understand that the City of Covington may at its sole discretion discontinue subsidy payments or reimbursement at any time for cause. I hereby give my consent to the City of Covington, its agents and contractors to examine any confidential information given herein. I further grant permission, and authorize any bank, employer or other public or private entity or agency to disclose information deemed necessary to complete this application.

I understand that this grant agreement is subject to conditions in the attached Small Business Guidelines and dependent on an executed contract with the City of Covington.

I understand that if this application and the information furnished in support of the application are found to be incomplete, it will not be processed.

Applicant Signature: _____

Printed Name: _____

Title: _____

Date: _____



Exhibit B – Rating Sheet

Applicant: _____ **FOR REFERENCE ONLY – DO NOT FILL OUT** _____

Project Address: _____ Neighborhood: _____

	Max Score	Score
Impact on Vacant or Underutilized Property		
2 points if filling a vacancy between 6 months-1 year	6	
4 points if filling a vacancy between 1-2 years		
6 points if filling a vacancy after 2 years		
Job Creation over 2-year period		
1 point per Full-Time Equivalent (FTE) employee up to 5 points. Divide all hours worked by all employees in a year by 1,560 (30 hrs/week = 1 FTE for purposes of this application)	5	
Bonus: 1 point for good-faith effort to hire Covington residents	1	
Strength of Business Plan		
For startups, attach executive summary and three-year financial projections of revenues and expenses (including estimated payroll)	3	
For expanding businesses, attach executive summary and prior three-year financials		
Bonus: 1 point for verification that applicant has met with KY Small Business Development Center, Aviatra Accelerators, Blue North, African American Chamber of Commerce, or other small business support organization	1	
Alignment with City’s Economic Strategy (5 points max)		
Up to 2 points if business falls within City’s targeted industries	2	
Up to 2 points if location of business complements the area's current mix of businesses	2	
Bonus: 1 point for support letter from neighborhood community council	1	
	21	



Façade Improvement Forgivable Loan

PROGRAM GUIDELINES AND APPLICATION



Façade Improvement Forgivable Loan

Program Guidelines and Application

Contents

Purpose.....	2
Recent Project Examples	3
Eligibility.....	4
Eligible Costs.....	5
Program Requirements.....	7
Application Process	8
Exhibit A – Application	9
Exhibit B – Rating Sheet	13



Purpose

The Façade Improvement Forgivable Loan Program is part of Covington's Small Business Program. It is designed to revitalize severely distressed commercial buildings, stimulate the establishment of new businesses, and help existing businesses expand by offering property owners a 50% matching forgivable loan, up to \$10,000, to update their commercial building's façade. This program aims to enhance the appearance and condition of commercial and mixed-use structures by funding improvements such as lighting, windows, painting, signage, and other exterior enhancements visible from the street.

Applications are reviewed quarterly. All proposals are due by the final submission deadline and must have the required attachments to be considered. A Certificate of Appropriateness ("COA") is required for this program. To obtain a COA, Applicants must schedule a meeting with the City's Historic Preservation Specialist before submitting an application, even if the building is not historic or located in an Historic Preservation Overlay zone.

	Deadline to Meet with Historic Preservation Specialist	Final Submission Deadline
Round 1		
Round 2		
Round 3		
Round 4		

City staff will review all applications and recommend funding awards based on the criteria in the program guidelines and rating sheet. The application and rating sheet are attached to these guidelines as Exhibit A and B, respectively. If City staff recommends funding for your project, the Program Administrator will present your project to the City of Covington Board of Commission for approval. Funding agreements will be executed following Commission approval. Please be aware that this process can take 6-8 weeks. Submission of an application is not a guarantee of funding.

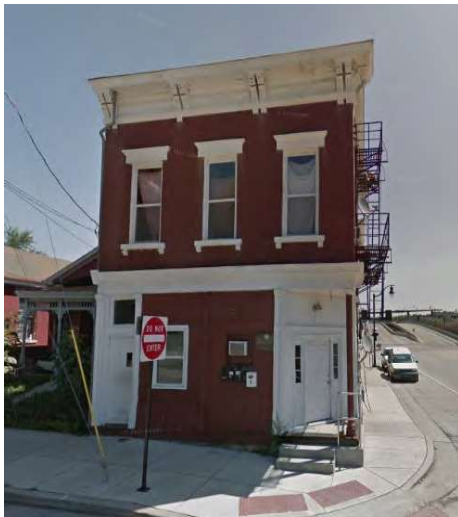
Submit Completed Application Packet to:

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 859.292.2141
PDuffy@covingtonky.gov
 20 West Pike Street Covington, KY 41011

Recent Project Examples

1132 Banklick Street, Westside neighborhood – Completed 2024

Work included removing old wood and cinder blocks, reframing windows, installing glass, selective demo, paint, changing the wood fascia of front garage, and other restorative services.



Before



After

2120 Eastern Ave, Wallace Woods neighborhood – Completed 2020

Work included brick repair, replacing broken glass and reglazing windows, removing vinyl, new storefront lighting, paint, and reopening second floor porch.



Before



After



Eligibility

Applicants must meet all the following eligibility requirements.

1. Applicant must own the commercial property to apply for the Façade Improvement Program. Building cannot be owned by a public entity.
2. One façade incentive per parcel (PIDN) is eligible.
3. The proposed facade improvements must be consistent with city's historic design guidelines and be approved via a Certificate of Appropriateness (COA) by the City's Historic Preservation Specialist, even if the building is not historic or within a Historic Preservation Overlay.
4. If there is an active Rent Subsidy from the City at this PIDN, the Property Owner is not eligible to apply for the Façade Grant until the Rent Subsidy at this property has made its final rent subsidy draw request.
5. The property owner must be properly licensed to operate within the City of Covington, Kenton County and Commonwealth of Kentucky, and the property must meet all City of Covington zoning requirements and meet all local and state building and health code requirements where applicable. This includes having an up-to-date rental license with the City if there are leased residential units also in the property.
6. The property owner and any other associated legal entities who have received prior City funding must always, be in compliance with City of Covington Good Standing Ordinance. Pursuant to City of Covington Code of Ordinances § 35.003, applicants and affiliated persons and/or entities for this program must not have made or filed pending adverse claims against the City in the form of settlement demands and/or lawsuits; nor shall they be delinquent on their obligations to pay loans, fines, liens, or other obligations owed to the City (e.g. code violations, permit violation, liquor license, etc.).
7. In accordance with the City of Covington's Code of Ordinances Human Rights Commission requirements, § 32.040 et. seq., the Business shall not discriminate on the basis of any protected class, including but not limited to race, color, religion, sex, sexual orientation, gender identity, age, national origin, ancestry, marital status, parental status, familial status, place of birth, disability, or natural texture, color of hair, hair styles, or protective hair styles (including, but not limited to braids, locks, twists, and coverings).

Eligible Costs

Any construction expense incurred prior to execution of an agreement with the City is not eligible for reimbursement. However, at the owners' risk, materials purchased prior to an executed agreement are eligible for reimbursement if the applicant is awarded funding (if application isn't awarded funding, any incurred costs would be the owner's responsibility). All costs and invoices must be constructed, billed, and submitted for reimbursement within the contract's term.

1. The maximum forgivable loan is \$10,000 and can be used in one of two ways.
 - a. **Exterior Only:** This 50/50 match option maximizes exterior improvement. The forgivable loan will reimburse the investment made by the building owner on a \$1 to \$1 basis up to \$20,000 in total project cost. City funds can only be used on the street facing façade. However, the other non-street facing sides can be counted towards the match if exterior work is being done on them.
 - b. **Interior & Exterior:** If a commercial building is vacant and needs to be white boxed to attract a commercial tenant, this 50/50 option allows the private match to go towards interior renovation to prepare a space for rent. The forgivable loan will reimburse the investment made by the building owner on a \$1 to \$1 basis up to \$20,000 in total project cost.
 - i. City funds will be spent exclusively on exterior improvements (up to \$10,000), but the property owner can document up to \$10,000 worth of interior improvements to be eligible for a full forgiveness of the loan.
 - ii. "White Box" is a term used in commercial real estate for a renovation with an unfinished interior and does not include interior walls (other than code required restrooms), wall coverings, paint, flooring, plumbing fixtures (other than code required restrooms and drinking fountains), upgraded electrical fixtures, and upgraded code required restroom fixtures. A white box is ready for tenant improvements which are to be completed once the lease agreement has been negotiated and executed.
 - iii. The Interior & Exterior option will only be available if agreed upon by City prior to entering into the Façade Loan Agreement. All approved interior expenses shall be listed in the Agreement. No prior interior improvements are eligible to be counted toward the private match before the contract's execution.
2. Eligible façade improvements include material and labor expenses related to the painting of the façade, restoring storefronts, improving exterior lighting, windows, signage or awning, tuck-pointing, and cornice repairs, etc. Roofs are not an eligible



expense. This program is designed to encourage improvements to the overall appearance and condition of commercial and mixed-use structures, and although new or enhanced signage may be included, projects which are exclusively focused on signage or awnings are not eligible under this program. Public funds should not be spent on easily removable fixtures.

3. After approval and contract execution, approved participants will oversee the entire construction process. Applicants must complete construction, pay all contractors, and submit for reimbursement within 12 months after the contract's execution to be eligible for reimbursement. A request for a contract extension based on a reasonable delay must be submitted to the Project Administrator 60 days prior to end date of executed contract.
4. Applicants will submit one pay application requesting reimbursement for eligible expenses, which will include:
 - a. A signed "Project Completion Certification" form certifying that the expenses were incurred and were in accordance with the agreement
 - b. All contractor invoices submitted for reimbursement should be dated and itemized so staff can review all expenses (materials vs labor) at the property.
 - c. Canceled checks or digital proof for all payments made to contractors.
 - d. Before and after photo documentation of the façade work.



Program Requirements

1. Source of Funds: All sources of funds for the project must be identified when the application is submitted to the City and in place at the time of the award agreement.
2. Vacant Properties: Applications involving vacant properties should demonstrate that the improvements will help attract a commercial tenant within the next 12 months and that the future user will diversify the business district's commercial offerings and create jobs in the neighborhood. The owner must agree to actively market all vacant spaces, including creating a free listing on the City's Zoom Prospector commercial database, installing a "for lease" sign in each vacant commercial space, signing up for the City's real estate leads email blast, and make reasonable accommodations to show the property to all qualified commercial prospects.
3. Construction: Applicants will oversee the entire construction process. Applicants will be required to comply with the City's "Good Neighbor" guidelines regarding minimizing construction interference on the public. Applicant must utilize professional contractors, and work cannot be done "in house" using applicant's own employees. In order to be eligible for reimbursement, applicants shall ensure that: construction is completed; all contractors are paid; Applicant's contractor(s) have paid all applicable City taxes and occupational licenses fees relating to the work; and Applicant has submitted a final pay application to the City for reimbursement within 12 months after the contract's execution.
4. Site Visits: City staff will conduct a site visit before payments begin in order to verify that the business is in operation. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the agreement.
5. Repayment terms: The monitoring period is 3 years. Full repayment of the façade incentive is required should the property owner sell the property within 3 years.
6. Façade Contractors: Part of the City's rating sheet criteria is the preference for using local Covington contractors. The City does not recommend specific companies, however, a list of local contractors who have asked to be on a reference list is available upon request. Please be aware that substitution for non-local Covington Contractor's after an application has been approved may result in a 50% reduction of the eligible reimbursement amount.



Application Process

1. Pre-Submittal Meeting: All applicants must meet with the Historic Preservation Specialist to review their project and receive a Certificate of Appropriateness (“COA”) before submitting an application. Applicants must provide current photos of the façade and, if available, drawings of the proposed alterations or signage. To schedule a meeting, please call Kaitlin Bryan, Historic Preservation Specialist at (859) 292-2171 or email at Kaitlin.Bryan@covingtonky.gov at least one week prior to the submission deadline. Please, no drop-ins.
2. Application: Due to the competitive nature of this program, the City will not accept incomplete applications. Please see required documentation checklist in attached application.
3. Application Evaluation Criteria: Applicants should review the rating sheet and demonstrate why their project should receive city funding. This is your opportunity to stand out from the crowd. City Staff reserves the right to recommend applicants to City Commission for final approval based on the strength of individual applications.
4. Appeals: If an applicant is not recommended for funding, applicants may appeal their request directly to the City Manager, who has final determination. The City Manager’s review shall be limited to the materials submitted in the applicant’s application.
5. Conflict of Interest: Applicants shall ensure a conflict of interest does not exist. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected or appointed official to the City of Covington; and if the applicant exercises or has exercised any functions or responsibilities with respect to funds for this program, or participates in the decision-making process related to funds for this program, or is in a position to gain inside information with regard to program activities. If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from the City of Covington. Additionally, the prohibition against conflicts of interest, gratuities and kickbacks in KRS 45A.455 are specifically incorporated herein.

Submit Completed Application Packet to:

Patrick Duffy, Program Administrator

859.292.2141

PDuffy@covingtonky.gov

20 West Pike Street Covington, KY 41011



Exhibit A – Application

Facade Improvement Forgivable Loan Application

APPLICANT INFORMATION

Applicant Name: _____

Applicant Phone: _____

Applicant Email: _____

Applicant Mailing Address: _____

Applicant Occupational License Number: _____

PROJECT INFORMATION

Property Owner Name (KY SOS): _____

Project Address: _____

Business Tenant Name (if applicable): _____

Will Business Tenant be adding jobs due to project? If so, describe type of jobs and estimated number of new jobs:

Description of the proposed building improvements (attach separate page if necessary):

How will the improvements benefit the current tenant, future tenant, and/or the business district:



Is the property vacant? If so, for how long: _____

Approximate square footage of commercial space: _____

PROJECT COSTS

Cost of Exterior Improvements

Windows	\$ _____
Painting	\$ _____
Lighting	\$ _____
Signage	\$ _____
Rebuild Storefront	\$ _____
Cornices	\$ _____
Other	\$ _____
Describe Other	_____
<u>Total Exterior Cost</u>	\$ _____

Cost of Interior Improvements (if applicable): \$ _____

TOTAL PROJECT COSTS (Exterior + Interior): \$ _____

SOURCE OF FUNDS (City will reimburse 50% up to \$10,000 of total eligible costs)

Private Funds \$ _____

City's Contribution \$ _____

TOTAL SOURCES \$ _____

TIMING

Estimated Project Construction Start Date: _____



Estimated Completion Date: _____

OTHER

Are you planning on using Covington based contractors to complete the project? If so, please list:

Did you incorporate any recommendations from the Historic Preservation Specialist?

Date Applicant met with Historic Preservation Specialist: _____

Are you receiving grant assistance from any other governmental agencies? If yes, list any additional grant sources and amounts:

Other Legal Entities associated with Property Owner who've received prior City funding:

Supporting Documentation Checklist

Please EMAIL your application packet with the following documentation.

- Complete and signed application (signature on following page)
- Attach all contractor quotes / bids and any drawings of proposed improvements
- Attach proof of financing/equity equal to the total project cost
- Attach completed W-9 for the property owner
- Attach the "Before" photo
- Verification of Approved Certificate of Appropriateness
- List of other Associated Legal Entities who have received prior City funding (please include Entity's Occupational License #s)



CERTIFICATION AND WAIVER OF PRIVACY

I, the undersigned, applicant(s) certify that all information presented in this application, and all of the information furnished in support of the application, is given for the purpose of obtaining a grant or forgivable loan under the City of Covington Small Business Program, and it is true and complete to the best of the applicant(s) knowledge and belief. The applicant(s) further certifies that he/she is aware of the fact that he/she can be penalized by fine and/or imprisonment for making false statements or presenting false information.

I understand that this application is not a guarantee of grant assistance. Should my application be approved, I understand that the City of Covington may at its sole discretion discontinue subsidy payments or reimbursement at any time for cause. I hereby give my consent to the City of Covington, its agents and contractors to examine any confidential information given herein. I further grant permission, and authorize any bank, employer or other public or private entity or agency to disclose information deemed necessary to complete this application.

I understand that this grant agreement is subject to conditions in the attached Small Business Guidelines and dependent on an executed contract with the City of Covington.

I understand that if this application and the information furnished in support of the application are found to be incomplete, it will not be processed.

Applicant Signature: _____

Printed Name: _____

Title: _____

Date: _____



Exhibit B – Rating Sheet

Applicant: _____ **FOR REFERENCE ONLY – DO NOT FILL OUT** _____

Project Address: _____ Neighborhood: _____

	Max Score	Score
Project Readiness		
1 point for evidence of availability of funds or bank letter (1 point)	1	
Up to 3 points for all quotes and selected contractors identified	3	
Bonus: 1 point per Covington based contractor (max 3)	3	
Matching façade investment ratio (Private : City)		
<2:1 = 1 point	4	
2:1 = 2 points		
3:1 = 3 points		
>4:1 = 4 points		
Impact on unused or underutilized property		
Commercial vacancy between 6 months-1 year (1 point)	3	
Commercial vacancy between 1-2 years (2 points)		
Commercial vacancy after 2 years (3 points)		
Neighborhood Impact		
Up to 2 points for neighborhood's need for investment	2	
Up to 2 points for highly visible location e.g. corner store	2	
Existing State of Façade		
Up to 6 points; 1=minor distress, 6=extreme deterioration	6	
	24	



Historic Electric Sign Program

PROGRAM GUIDELINES AND APPLICATION

Revised 4/7/2025



Historic Electric Sign Program

Program Guidelines and Application

Contents

Purpose.....	2
Eligibility.....	3
Eligible Costs.....	4
Historic Electric Sign Examples	5
Program Requirements.....	7
Application Process	8
Exhibit A – Application	9
Exhibit B – Rating Sheet	13



Purpose

The Historic Electric Sign Program is a part of Covington's Small Business Program, aimed at refurbishing and incorporating historic electric signs back into the city's commercial areas. This program offers an 80% city/20% owner matching grant, up to \$10,000, to help restore existing projecting signs or install refurbished historic signs. The purpose is to enhance the aesthetic appeal of commercial districts, generate foot traffic, and improve businesses' curb appeal.

Applications are reviewed quarterly. All proposals are due by the final submission deadline and must have the required attachments to be considered. A Certificate of Appropriateness (“COA”) is required for this program. To obtain a COA, Applicants must schedule a meeting with the City’s Historic Preservation Specialist before submitting an application, even if the building is not historic or located in an Historic Preservation Overlay zone.

	Deadline to Meet with Historic Preservation Specialist	Final Submission Deadline
Round 1		
Round 2		
Round 3		
Round 4		

City staff will review all applications and recommend funding awards based on the criteria in the program guidelines and rating sheet. The application and rating sheet are attached to these guidelines as Exhibit A and B, respectively. If City staff recommends funding for your project, the Program Administrator will present your project to the City of Covington Board of Commission for approval. Funding agreements will be executed following Commission approval. Please be aware that this process can take 6-8 weeks. Submission of an application is not a guarantee of funding.

Submit Completed Application Packet to:

Patrick Duffy, Program Administrator
 859.292.2141
PDuffy@covingtonky.gov
 20 West Pike Street Covington, KY 41011



Eligibility

Applicants must meet all the following eligibility requirements.

1. Applicant must own the commercial property to apply for the Historic Electric Sign Program. A business can also directly apply but must have the building owner as a co-applicant. The building cannot be owned by a public entity.
2. One sign incentive per parcel (PIDN) is eligible per round of funding.
3. The proposed sign improvements must be consistent with city's historic design guidelines and be approved via a Certificate of Appropriateness (COA) by the City's Historic Preservation Specialist, even if the building is not historic or within a Historic Preservation Overlay.
4. Face changes are not eligible.
5. The applicant must be properly licensed to operate within the City of Covington, Kenton County, and Commonwealth of Kentucky; meet all City of Covington zoning requirements; and meet all local and state building and health code requirements where applicable. This includes having an up-to-date rental license with the City if there are residential or short-term rental units also in the property.
6. The applicant must, at all times, be in compliance with City of Covington Good Standing Ordinance. Pursuant to City of Covington Code of Ordinances § 35.003, applicants and affiliated persons and/or entities for this program must not have made or filed pending adverse claims against the City in the form of settlement demands and/or lawsuits; nor shall they be delinquent on their obligations to pay loans, fines, liens, or other obligations owed to the City.
7. In accordance with the City of Covington's Code of Ordinances Human Rights Commission requirements, § 32.040 et. seq., the Business shall not discriminate on the basis of any protected class, including but not limited to race, color, religion, sex, sexual orientation, gender identity, age, national origin, ancestry, marital status, parental status, familial status, place of birth, disability, or natural texture, color of hair, hair styles, or protective hair styles (including, but not limited to braids, locks, twists, and coverings).



Eligible Costs

Expenses incurred prior to execution of an agreement with the City are not eligible for reimbursement. All invoices/expenses must be constructed, billed, and submitted for reimbursement within the contract's term.

1. The maximum forgivable loan is \$10,000. The private match requirement is 20% of the total project cost.
 - a. Example 1: the total cost to refurbish a historic electric sign is \$8,000. The private match requirement is \$1,600 ($\$8,000 \times 20\%$). The City forgivable loan amount is \$6,400 ($\$8,000 \times 80\%$).
 - b. Example 2: the total cost to refurbish a historic sign is \$20,000. The private match requirement is \$4,000 ($\$20,000 \times 20\%$). The City forgivable loan amount is \$10,000 ($\$20,000 \times 80\% = \$16,000$; however, the maximum amount of the forgivable loan is \$10,000). The remaining \$6,000 would have to be funded by the owner via additional debt or equity.
2. After approval and contract execution, approved participants will oversee the entire sign construction process. Applicants must complete the sign rehabilitation, pay all contractors, and submit for reimbursement within 12 months after the contract's execution to be eligible for reimbursement.
3. Applicants will submit one pay application requesting reimbursement for eligible expenses, which will include:
 - a. A signed "Project Completion Certification" form certifying that the expenses were incurred and were in accordance with the agreement.
 - b. All contractor invoices submitted for reimbursement, which should be dated and itemized so staff can review all expenses (materials vs labor) at the property.
 - c. A signed covenant protecting the sign from removal, sale or demolition and transferring ownership of the sign to the City in the event of voluntary removal within 25 years of the date of reimbursement.
 - d. Canceled checks or digital proof for all payments made to contractors.
 - e. Before and after photo documentation.

Historic Electric Sign Examples





Examples of Covington Historic Signs that could use program (not an exhaustive list)

- Sam's Ice Cream and Candy: 207 W Pike Street
- Landwehr Hardware and Toys: 826 Madison Ave
- Madison Theater: 730 Madison Avenue
- Motch's Jewelers clock: 613 Madison Ave
- Rental Space: 13-15 W. Southern Ave. (the old theater converted into business/apartment space)
- Reeve's Chiropractic Health Center: 3631 Decoursey Ave. (Two old signs + clocks on sides of building)
- Emerson's Bakery Latonia: 3612 Decoursey Avenue



Program Requirements

1. Source of Funds: All sources of funds for the project must be identified when the application is submitted to the City and in place at the time of the award agreement.
2. Sign Reconstruction: Applicants will oversee the entire reconstruction process. Applicants will be required to comply with the City's "Good Neighbor" guidelines regarding minimizing construction interference on the public. Applicant must utilize professional contractors, and work cannot be done "in house" using applicant's own employees. In order to be eligible for reimbursement, applicants shall ensure that: construction is completed; all contractors are paid; Applicant's contractor(s) have paid all applicable City taxes and occupational licenses fees relating to the work; and Applicant has submitted a final pay application to the City for reimbursement within 12 months after the contract's execution.
3. Site Visits: City staff will conduct a site visit before payments begin in order to verify that the business is in operation. Staff may also conduct unannounced site visits periodically in order to ensure compliance with the terms of the agreement.
4. Repayment terms: A signed covenant protecting the sign from removal, sale or demolition and transferring ownership of the sign to the City in the event of voluntary removal within 25 years of the date of reimbursement is required. Should the sign be voluntarily removed or destroyed in violation of the covenant, full repayment of the historic electric sign incentive will be due.
5. Sign Contractors: Part of the City's rating sheet criteria is the preference for using local Covington contractors. The City does not recommend specific companies, however, a list of local contractors who have asked to be on a reference list is available upon request. We also recognize that restoring signs is a specific trade and might not always be feasible to find an appropriate Covington contractor. Please be aware that substitution for non-local Covington contractors after an application has been approved may result in a 50% reduction of the eligible reimbursement amount.



Application Process

1. Presubmittal Meeting: All applicants must meet with the Historic Preservation Specialist to review their project before submitting an application. Applicants should have current photos of the sign and any drawings of the proposed alterations to signage to the meeting. To schedule a meeting, please call Kaitlin Bryan, Historic Preservation Specialist at (859) 292-2171 or email at kaitlin.bryan@covingtonky.gov at least one week prior to the submission deadline. Please, no drop-ins.
2. Schedule: Applicants will hear back from the Project Administrator within three weeks of the application deadline about whether they have been recommended for funding or not. If an applicant has been recommended for funding, it will be forwarded to City Commission for final approval. It can take up to 6-8 weeks after submitting an application before eligible construction costs may be incurred.
3. Application: Due to the competitive nature of this program, the City will not accept incomplete applications. Please see required documentation checklist in attached application.
4. Appeals: If an applicant is not recommended for funding, applicants may appeal their request directly to the City Manager, who has the final determination. The City Manager's review shall be limited to the materials submitted in the applicant's application.
5. Conflict of Interest: Applicants shall ensure a conflict of interest does not exist. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected or appointed official to the City of Covington; and if the applicant exercises or has exercised any functions or responsibilities with respect to funds for this program, or participates in the decision-making process related to funds for this program, or is in a position to gain inside information with regard to program activities. If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from the City of Covington. Additionally, the prohibition against conflicts of interest, gratuities and kickbacks in KRS 45A.455 are specifically incorporated herein. By submitting an application, the Applicant warrants that no conflict of interest exists.

Submit Completed Application Packet to:

Patrick Duffy, Program Administrator
859.292.2141
PDuffy@covingtonky.gov
20 West Pike Street Covington, KY 41011



Exhibit A – Application

Facade Improvement Forgivable Loan Application

APPLICANT INFORMATION

Name: _____

Phone: _____

Email: _____

Mailing Address: _____

Occupational License Number: _____

PROJECT INFORMATION

Property Owner Name (KY SOS): _____

Project Address: _____

Business Tenant Name (if applicable): _____

Description of the proposed Historic Sign Enhancements (attach separate page if needed):

How will sign improvements benefit the current user, future user, and/or the business district:

Do you have documentation that the sign is at least 50 years old? _____



PROJECT COSTS

Cost of Signage Improvements

Electric	\$ _____
Painting	\$ _____
Other	\$ _____
Describe Other	_____
TOTAL	\$ _____

Are you also making exterior or interior improvements? If so, how much? _____

SOURCE OF FUNDS (City will reimburse 80% up to \$10,000 total eligible costs)

Private Funds	\$ _____
City's Contribution	\$ _____
TOTAL SOURCES	\$ _____

TIMING

Estimated Project Construction Start Date: _____

Estimated Completion Date: _____

OTHER

Are you using any Covington contractors? Please list: _____

Are you receiving grant assistance from any other governmental agencies? If yes, list any additional grant sources and amounts:



Other Legal Entities associated with Property Owner who've received prior City funding:

Supporting Documentation Checklist

Please EMAIL your application packet with the following documentation

- Completed and signed application.
- All contractor quotes, bids, and drawings of proposed improvements.
- Evidence of financing/equity equal to the total project cost (bank letter or checking account statement).
- Certificate of Appropriateness.
- Completed W-9.
- Bonus Points: Evidence that Sign is 50+ years (if applicable)



CERTIFICATION AND WAIVER OF PRIVACY

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Applicant Signature: _____

Printed Name: _____

Title: _____

Date: _____



Exhibit B – Rating Sheet

Applicant: _____ **FOR REFERENCE ONLY – DO NOT FILL OUT** _____

Project Address: _____ Neighborhood: _____

	Max Score	Score
Project Readiness		
1 point for evidence of availability of funds or bank letter	1	
Up to 3 points for all quotes and selected contractors identified	3	
Percent of total project funded by private investment		
20% (minimum match requirement) = 1 point	4	
50% = 2 points		
100% = 3 points		
100% or greater = 4 points		
Covington Based Contractors (4 points max)		
% of contractors that are based in Covington	4	
Neighborhood Impact		
Up to 3 points for neighborhood's need for investment	3	
Up to 6 points for complexity of scope and historical significance	6	
Bonus: 2 points for evidence sign is more than 50 years old	2	
	23	