



CITY OF IOWA CITY COUNCIL ACTION REPORT

April 21, 2026

Resolution disapproving the issuance of an alcohol license (renewal and premises update) to 118 South Clinton, LLC, d/b/a Union Bar & Grill.

Prepared By: Jennifer Schwickerath, First Assistant City Attorney
Reviewed By: Geoff Fruin, City Manager
Eric Goers, City Attorney
Kellie Grace, City Clerk
Danielle Sitzman, Development Services Coordinator

Fiscal Impact: NA
Staff Recommendation: Approval
Commission Recommendations: NA

Attachments: [Notice of Hearing and Building Official Memo](#)
[Verified Statement 118 South Clinton LLC](#)
[8-1-25 City Attorney Letter](#)
[3-9-26 City Manager Email](#)
[4-3-26 Court Ruling](#)
[Resolution](#)

Executive Summary:

Iowa City Code 4-2-2(A) and Iowa Code section 123.30(2) require that premises which have alcohol licenses conform to local ordinances. 118 South Clinton LLC, d/b/a/ Union Bar & Grill ("The Union"), has applied for a renewal and premises update of its Class C Alcohol license, which expires on April 30, 2026. The Union is located at 118 S. Clinton Street. This is within the University Impact Area of the CB-10 zone. Within this zone, new drinking establishments must be separated by a minimum distance of five hundred feet (500') from any other drinking establishment pursuant to City Code Section 14-4B-4(B)(11). The Union is within 500' of numerous preexisting drinking establishments and therefore cannot operate as a drinking establishment in this location.

Staff has repeatedly informed the owners of The Union that city zoning requirements prohibit the operation of a drinking establishment in this location. The Union nonetheless continues to violate City zoning ordinances by operating a drinking establishment in this location. Therefore, the Building Official recommends denial of The Union's application to renew and update the premises because The Union is violating City zoning ordinances by operating a drinking establishment within 500 feet of existing drinking establishments.

Background / Analysis:

118 South Clinton LLC obtained its alcohol license for the basement and the second floor on May 1, 2025 after completing a Verified Statement in March 2025 which stated that the

business would serve food and beverages, beer, wine, soda, liquor and that its hours of operation would be 11:00 a.m. to 12:00 a.m. Under City Code Section 14-4A-4(F)(2)(a)-(b), this qualified as an "eating establishment" instead of a "drinking establishment," which was the basis for the City's approval of the alcohol license in effect from May 1, 2025 to April 30, 2026.

Prior to opening for business, updated building plans were submitted to the City to remodel the first floor. A letter was sent to the contact person for the alcohol license and the registered agent for 118 South Clinton LLC on August 1, 2025 advising that if the footprint of the licensed premises was changing, a premises update needed to be submitted to the Iowa Department of Revenue. No premises update was submitted and The Union opened for business on February 19, 2026 with an alcohol license for the basement and second floor only.

Since The Union opened, it has operated as a drinking establishment under City Code Section 14-4A-4(F)(2)(b), not an eating establishment. Iowa City Police observed The Union's closing times in February, March, and April 2026. The Union has regularly been open for business between the hours of twelve o'clock (12:00) midnight and two o'clock (2:00) a.m. Under City Code Section 14-4A-4(F)(2)(b), a drinking establishment within the University Impact Area of the CB-10 zone, where The Union is located, must be separated by a minimum distance of five hundred feet (500') from any other drinking establishment pursuant to City Code Section 14-4B-4(B)(11).

The Union is located within 500' of numerous preexisting drinking establishments and therefore cannot operate as a drinking establishment in this location. Drinking establishments within 500' of The Union include, but are not limited to, Buffalo Wild Wings, Burger Haul, Donnelly's, Giddy Up, Hazzard County, ReUnion, Roxxy, and The Airliner.

Staff has repeatedly informed the owners of The Union that City zoning requirements prohibit the operation of a drinking establishment in this location. On April 3, 2026, the City filed a municipal infraction citation against The Union for violation of the 500' ordinance. Even after the citation was issued, The Union continues to violate City zoning ordinances by operating a drinking establishment in this location. Therefore, the Building Official recommends denial of The Union's applications to renew its alcohol license and update the premises because The Union is violating City zoning ordinances by operating a drinking establishment within 500 feet of existing drinking establishments.

It is anticipated that 118 South Clinton LLC will take the position that the City's zoning ordinance is preempted by State law. The City received a ruling on April 3, 2026 in the municipal infraction case involving 138 South Clinton, Inc d/b/a The Fieldhouse Bar and Grill where the court found that the City's 500 foot ordinance is not preempted by state law.

Should City Council deny the applications to renew and update the premises and The Union appeals, the alcohol license for the second floor and basement remains valid throughout the appeal process, however, the first floor of The Union will not be licensed because it was not included in the initial license.