

ICE Paramilitary Occupation: MPLS: Impact on Business: 5-FEB-2026

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Minneapolis businesses losing millions in sales each week as ICE operation continues

Immigrant-owned businesses are bearing the brunt of the losses from Operation Metro Surge, but effects are widespread.

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City and community leaders say the federal immigration crackdown in Minneapolis is causing an economic crisis.

With employees afraid to work and customers fearful, Minneapolis businesses are losing \$10 million to \$20 million in sales a week, with revenue down more than half in the two months since Operation Metro Surge began, according to city estimates.

"I can imagine there isn't one business in Minneapolis that has not had a revenue decline in the last eight weeks," said Erik Hansen, the city's director of Community Planning and Economic Development (CPED).

Immigrant-owned businesses that form the city's cultural districts have been hit hardest, with estimated revenue losses of 80% to 100% as many have shut down, Hansen said.

The Lake Street Council estimated that the corridor's more than 1,000 immigrant-owned businesses lost a cumulative \$46 million in December and January. About half are closed on a given day, said Russ Adams, manager for corridor recovery initiatives.

Non-immigrant-owned businesses on Lake also are feeling the pressure, he said, as their employees and some shoppers don't feel safe.

"It's an economic crisis of catastrophic proportions," Adams said.

Minneapolis is less than six years from the one-two punch of COVID-19 and the riots following George Floyd's police murder, an event that the city said resulted in hundreds of millions of dollars in damage. Much of that impact was concentrated on Lake Street, site of the Minneapolis Police Department's former Third Precinct building.



Hundreds of people flood into the Karmel Mall, a business center for the Somali community, to patronize immigrant-owned businesses after an anti-ICE protest on Lake Street in Minneapolis on Dec. 20, 2025. (Alex Korman/The Minnesota Star Tribune)

On top of that, Adams said, small businesses along that corridor have faced the same economic challenges as others in recent years, including high interest rates, labor shortages and supply chain issues.

"We just keep getting hammered," he said.

To arrive at its overall estimates, the city relied on a survey that has received more than 100 responses so far, conversations with individual business owners and input from community organizations that work directly with businesses.

For restaurants, bars and cafes, for example, CPED multiplied an average \$20,000 a week in lost sales by 500 businesses to reach \$10 million. The estimated losses for small, customer-facing businesses citywide is about \$15 million, so CPED settled on a weekly loss figure in the \$10 million to \$20 million range.

That's likely an understatement, city officials said.

The damage isn't limited to Minneapolis. St. Paul did not have available data on the scope of local business losses, but according to city staff, an increased number of businesses are cutting hours and face staff shortages.

In January, Mayor Kaohly Her said small-business owners serving immigrant communities were reporting 60% to 70% declines in sales.

The Twin Cities community has rallied around many restaurants and retail shops suffering amid the fear permeating the metro area. Those generous acts have sustained El Burrito Mercado, a 47-year-old market on St. Paul's West Side, CEO Milissa Silva-Diaz said.

Non-Latino customers have been showing up to grocery shop for their immigrant neighbors and eat at the restaurant. El Burrito also sold thousands of dollars in gift cards that are going to local families through the nonprofit Neighborhood House, she said.

But that boost won't continue indefinitely, Silva-Diaz said, and it doesn't make up for lost sales. She didn't share revenue figures, but said El Burrito has shortened its hours and, like many businesses, has employees worried about showing up to work for fear of immigration enforcement. El Burrito lost 20 of about 90 employees in January, she said.

There are also new expenses, including compensating the people stationed at the front door to greet customers and keep an eye out for ICE agents, Silva-Diaz said.

"If things don't start to turn around really soon, I think we'll be looking at restructuring the business and the operations – everything from the hours to the type of service we do," she said. Closing the business might also be on the table, she added.

Officials in both cities are directing business owners to other sources of help, including state and philanthropic grants, such as the Minnesota Promise Act and the Minneapolis Foundation's Salt Cure Restaurant Recovery Fund.

White House border czar Tom Homan said Feb. 4 that the Trump administration would withdraw 700 federal law enforcement personnel from Minnesota, but some 2,000 agents remain, far more than normal.

Not knowing when the outsized ICE presence will end makes it hard to plan for recovery, Hansen said.

"It's horrifying to think about what this could mean, because it is not a singular event," he said. "A tornado didn't just come through Minneapolis, and the day after when the sun comes back out, we're assessing the damage and figuring out how to dig out. We have a situation where we've had a couple of tornadoes, and we don't know if the tornadoes have stopped."