

Information Item

Committee of the Whole



Meeting date: August 5, 2026

Topic

Small Business Voices: OMS Effects and Business Contribution to Regional Resiliency

District(s), member(s):	All
Policy/legal reference:	Minn. Stat. § 473.242, Imagine 2050 Regional Goals, 2025 Regional Economic Framework
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Division/department:	Community Development / Regional Planning

Framing Data from the Research

“ICE entered my restaurant more than once. The first time, all of the customers immediately left the store. Since then, the customers have not come back, although some are coming to pick up food for Ramadan. This is something that has never been seen before. The last three months have been different from any time in my business. I have paid all bills out of my savings. I have lost so much of my savings. I can’t pay the rent. I haven’t cut back on the food I purchased, but I have had to throw away a lot of prepared food. I have reduced the hours that my employees have worked. No one has been able to work full-time.”

Restaurant, Burnsville

Background

Operation Metro Surge significantly impacted the wellbeing of main street businesses region wide. This research project concentrates on the voices of small businesses in these areas and begins a two-year effort to help inform local and regional entities supporting Imagine 2050’s goal of a Dynamic and Resilient Region.

The Metropolitan Council is conducting on-the-ground interviews and ethnographic analysis in eight economic nodes across the region to better understand ways to support ongoing recovery and future resilience. These defined economic areas contain a variety of retail and offer services that meet local residents’ daily needs.

Met Council staff completed 265 semi-structured interviews and onsite observations of conditions at 173 unique businesses at the time of publication. Staff will continue to observe and talk to these businesses in selected areas through February 2028.

This presentation is a part of the Immigrant Economic Contributions and Small Business

Metro Surge Impact mixed-methods study. It is a follow-up to the [June 15th](#) Community Development Committee and [July 22nd](#) Council presentations and highlights preliminary qualitative findings of business conditions.

Research Process

Researchers visit eight economic nodes to conduct onsite semi-structured interviews and ethnographic observations with businesses every 4-6 weeks. Questionnaire topics include current business conditions, experiences during Metro Surge, business roles in their community, access to relief funds, and overall advice from the business to policy makers.

Participating business types include care services, grocery, personal services, professional services, restaurant, retail, tobacco/liquor, and a variety of other types. To date, Council staff have interviewed 173 unique businesses and have conducted 265 total interviews.

Key Findings

At this point in the research, Council staff have completed two preliminary research briefs. The first brief covers conditions from January to February 2026. The second brief covers conditions from March to April 2026. Additional briefs will be published on business responses to economic effects of Operation Metro Surge, the contributions of small businesses to dynamic and resilient neighborhoods, and how businesses are doing six months after the Surge.

Brief 1: Main street business conditions during peak OMS

Immediate economic impacts

1. Operation Metro Surge triggered an immediate, drastic loss of revenue.
2. Revenue losses forced businesses to reduce staff and adapt operations.

Social and emotional impacts

1. Fear and hypervigilance reshaped daily business operations and customer behavior.
2. Ongoing fear and economic instability created significant emotional strain.

Community response and collective care

1. Businesses felt gratitude for neighbors who patrolled, spent money, delivered food, and distributed safety information.
2. Small businesses were essential sites of mutual aid and providers of community protection. Businesses took the following actions to support others during peak OMS:
 - a. Informing clients of on the ground conditions to protect client safety.
 - b. Organizing and providing deliveries for families afraid to leave their home.
 - c. Extending credit to customers.
 - d. Buying gas and supplying food for patrollers.
 - e. Providing shelter for residents during violence and severe cold.
 - f. Distributing whistles and know-your-rights information.
 - g. Coming together to discuss community conditions and offering emotional and financial support.

Brief 2: Main street business conditions in Spring 2026

Continued operational disruptions due to previous immigration enforcement activities

1. The mental health impacts experienced by business owners, employees, and customers have persisted beyond the peak of OMS and continue to hinder the region's resilience and recovery.
2. Customers don't have money to spend.

Two different geographic patterns of downturn, Latino and East-African business owners are affected by both

1. Entire geographic area affected, regardless of immigrant ownership. All businesses have clientele affected.
2. Differential effects reported. Businesses serving immigrant communities hit harder than neighboring businesses. Businesses in close proximity have different clientele, resulting in diverse current conditions within the same economic node.

Receiving formal financial assistance

Financial support from Community Development Financial Institutions and nonprofits were distributed in March and April. Some businesses haven't applied, haven't heard back, or haven't received enough to cover revenue.

Ripple and time effects

1. Each impacted business creates a ripple effect of reduced spending.
2. Changes over time: Shifts in business traffic and improved sentiment are being observed, but businesses continued to feel impacts as of March and April.

Next Steps

- Publication of additional research briefs (August – September 2026)
- One-pager of results to participating small businesses (August – September 2026)
- First full report (Autumn 2026)
- Regional convening (Autumn 2026)
- Additional data collection through February 2028
- Full publication (Spring 2028)

