

# CASABLANCA

*Rehabilitating the city's historic slaughterhouse*



## CITY BACKGROUND

Casablanca serves as the commercial hub of Morocco. As a city marked by organic commercial growth patterns, there has been a historic dearth of assets to help anchor the city's growth and development. As such development patterns in the city have been haphazard and unmoored from any traditional economic nodes. The city agency tasked with categorizing and reclaiming the city's assets is Casa Patrimoine ("CP"). While cultural preservation is a key focus for CP, the mission of the agency is to reactivate the city's historical assets so that they serve a broader purpose of urban rejuvenation. CP has recently categorized an initial tranche of assets in order to determine how the city can best activate or monetize them.



## WORLD BANK ENGAGEMENT

With the objective of increasing investment capacity, improving the business environment and enhancing access to basic services of the Municipality, the World Bank has been supporting Casablanca since 2017 through a US\$ 200 million Program for Results loan. The project supports activities that increase municipal revenues or mobilize private capital through PPPs. Two public assets have been identified as possible entry points to catalyze urban redevelopment and unlock private financing to leverage the city's balance sheet:

**-The "Abattoir", or slaughterhouse**, is a historical site within Casablanca. The site itself was decommissioned over 20 years ago, yet still remains a semi-active large open site. The Abattoir and its lands are situated near the terminus of the new high-speed train that connects Casablanca to Rabat and elsewhere. Morocco's national railway operator (the "ONCF") has put forth plans to develop the areas around the new station, which would extend to the area where the Abattoir is situated.

**-The Bibliotheque** is a municipal-owned asset that is located in the commercial center of Casablanca. The site is commercially attractive today for private sector investment. However, the city has not yet made the site available for development.

## CRP APPROACH

The City Resilience Program (CRP) is supporting Casa Patrimoine with developing asset level redevelopment strategies for the slaughterhouse and Bibliotheque. CRP is conducting analysis around development programs, costs, revenues, and financial modelling with the goal of developing a viable commercial structure. It is anticipated that this approach will result in a bracketed term sheet for each project that can be socialized with potential investors, and potentially establish a replicable model that Casa Patrimoine can leverage for future asset recycling targets.

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## PROPOSED IMPLEMENTATION STRUCTURE

The proposed financing structure for the Abattoir redevelopment could be:

- Publicly contributed land and structures for the redevelopment opportunity and provision of development rights to the out parcels surrounding the Abattoir, including currently unused land that can be repurposed within a broad zoning context of the city.
- The leveraging of rights and income from the "Bibliotheque" site.
- Private sector capital via a public-private partnership, or simply through a disposition agreement with the city.
- World Bank lending would help to bridge the gap of commercial viability. The Abattoir project has the potential to attract private capital, and along with municipal subsidies in the form of land and assets the project can be activated but will require a level of support that the World Bank lending can provide.

## LESSONS LEARNED

The municipal government, the national government, and CP all consider this project to be a key strategic investment for Casablanca that could provide a model to recycle other key public assets in the city. The municipality's planning department and CP have noted that they have great flexibility in how the site is zoned and incorporated into the larger urban framework. With the neighbouring investments of ONCF, there is much potential for synergy in the development of the assets at the Abattoir.



## FUTURE VISION

Casa Patrimoine has an opportunity to generate confidence in the market with undertaking an asset recycling approach to a pair of demonstration projects – the abattoir and the Bibliotheque. Asset recycling has proven to be an effective strategy for cities to achieve their urban revitalization objectives. This strategy entails the reuse of abandoned, vacant, or underused properties oftentimes held by the public sector for redevelopment by the private sector through different private sector participation models, including Public-Private Partnerships (PPPs).