

Donelson

3rd Report

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October 2

THE COMING EXPANSION
OF MAJOR LEAGUE BASEBALL

The coming expansion of Major League Baseball has been a subject of discussion for many years. The National Baseball Commission, created in 1903, has been the primary authority on the subject. The American League was organized in 1901 with 8 clubs, and the National League clubs has remained at 16 ever since. For over half a century since that time, major league baseball has been limited to the area bounded by the Mississippi River of the West and the Gulf and the Atlantic on the South. The only thing resembling an expansion is that in the 1953 season, following the recent transfer of the Philadelphia American League franchise to Kansas City, the major league game will have spread beyond the borders of the Eastern States, although this is not nearly so great an expansion as the one which has been a matter of the past.

Compiled by
The Los Angeles Baseball Club
in co-operation with the
Special Research Committee
for Major League Baseball in Los Angeles

December 1, 1954

ATTENDANCE POTENTIALS OF LOS ANGELES AND SAN FRANCISCO

Both the Los Angeles and San Francisco metropolitan areas have increased tremendously in population since World War II. Both are dynamic, growing cities which promise to continue to gain substantially in the years ahead.

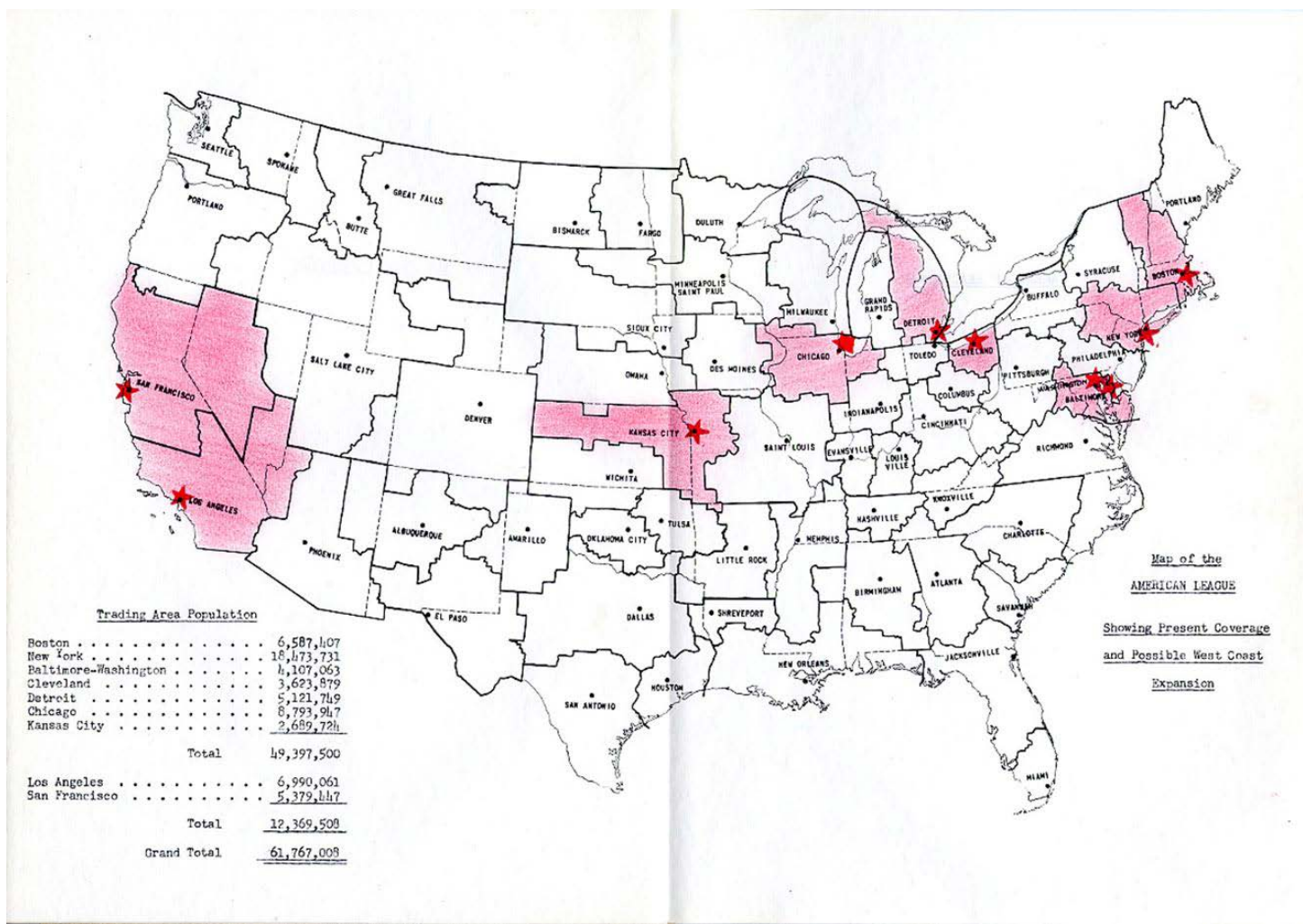
In the nine years since World War II, the population of Los Angeles County showed a net gain of 1,250,000 persons. The increase alone is equivalent to adding the population of three cities the size of Kansas City. In the same period, Los Angeles has added 630,000 new dwelling units, which is more than the total number of existing dwelling units in Detroit.

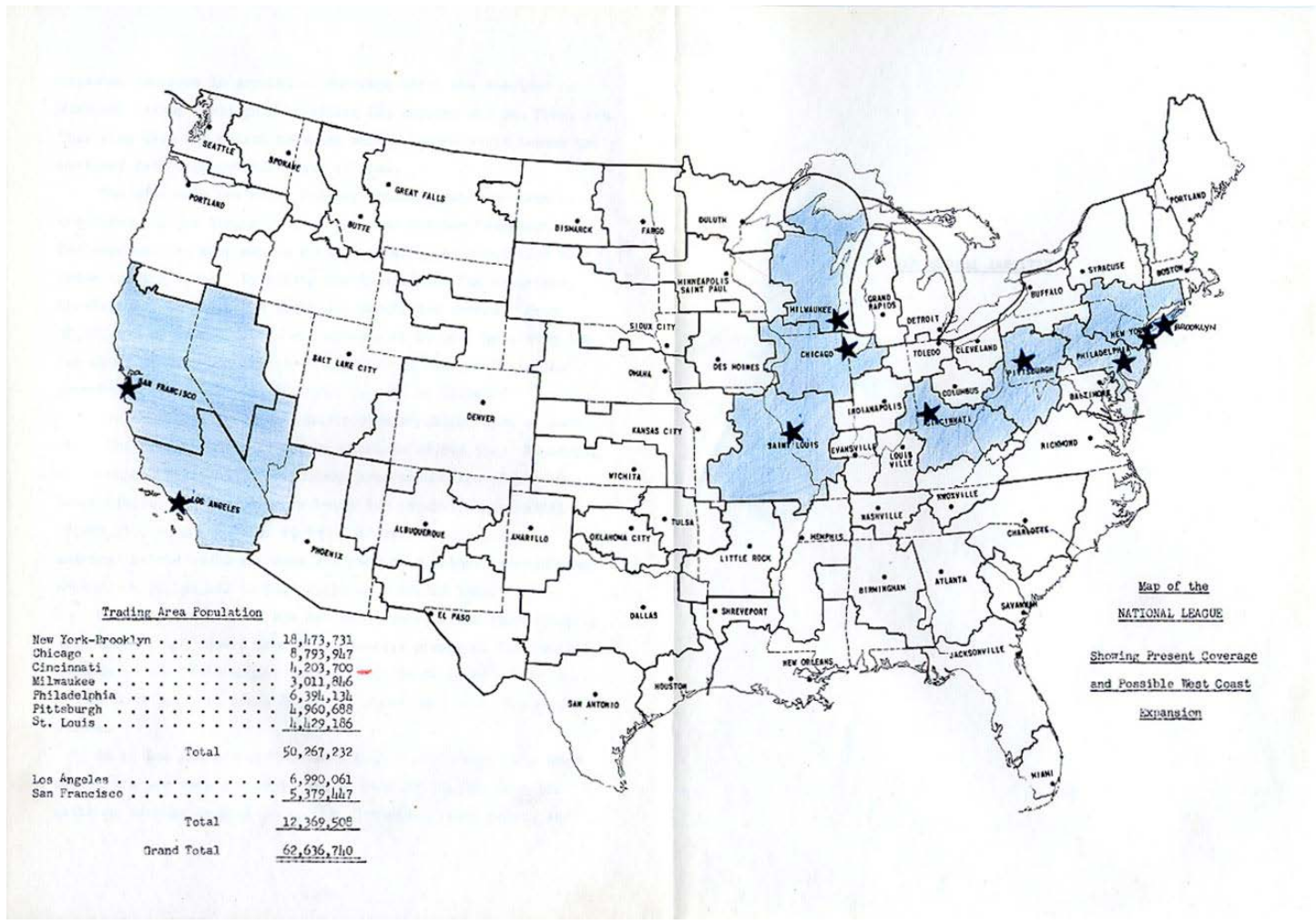
The Los Angeles metropolitan area currently has a population of 5,141,000. The major trading area for which the city serves as a center, as determined by the Rand, McNally trading area map, now has an over-all population of 6,990,061, based on 1954 U.S. Census estimates.

The population of the San Francisco-Oakland metropolitan area -- that is, the Bay Area including the communities surrounding San Francisco Bay -- has likewise moved ahead rapidly in population since World War II. The gain is more than 1,000,000 persons, which means an increase equivalent to adding the entire present population of Baltimore.

The Bay area currently has a population of 3,374,000. For the San Francisco major trading area, as fixed by the Rand, McNally trading area map, the present population is 5,379,000 persons.

The fold-out maps that follow this page illustrate the





Trading Area Population

New York-Brooklyn	18,173,731
Chicago	8,793,947
Cincinnati	4,203,700
Milwaukee	3,011,846
Philadelphia	6,394,124
Pittsburgh	4,950,688
St. Louis	4,129,186
Total	50,267,232
Los Angeles	6,990,061
San Francisco	5,379,447
Total	12,369,508
Grand Total	62,636,740

handsome increase in population coverage which the American or National League could gain by adding Los Angeles and San Francisco. They also show the extent to which either league would become truly national from a geographic point of view.

The maps show the Rand, McNally trading areas for each of the present major league cities, and also for San Francisco and Los Angeles. On each map is a table showing the population of these trading areas. By adding Los Angeles and San Francisco, the National League would boost its population coverage from 50,267,232 to 62,636,740 -- an increase of 24.6%. By adding the two coast cities, the American League would increase from its present 49,397,500 to 61,767,008 -- a gain of 25.04%.

24.6%
81/50%
10/162

If you figure just the immediate metropolitan area of each city, the present National League total is 28,693,552. By adding the combined 8,515,658 metropolitan area population of the two Coast cities, the League would boost its population potential to 37,209,210, an increase of 29.68%. By the same process the American League would increase its present combined metropolitan areas from 30,152,481 to 38,668,139 -- a 28.24% gain.

California residents are not only numerous but comparatively well-heeled, and should provide first-rate prospects for baseball attendance from this angle. California, in fact, is second only to New York State in total income payments, and also in average income.

As to Los Angeles and San Francisco specifically, the average income per family unit is better than 17% higher than the national average in each case. San Francisco ranks fourth and

Los Angeles eighth among the 20 largest U. S. cities in average family income. All of which means that the residents of these cities have more than the normal amount of spendable income available for recreational purposes, and this of course creates a very favorable atmosphere in which to sell baseball tickets.

To be noted also is the fact that Los Angeles and San Francisco have not only increased tremendously in numbers of people, but they have acquired a very large percentage of the type of people who are baseball's best customers -- the working man and his family. In the years during and since World War II, both experienced a huge expansion in numbers of manufacturing enterprises, so that they have added a solid industrial base to go with their previously established positions as distribution, agricultural and resort centers.

It is also worth considering that California is a magnet for a tremendous influx of visitors every year. The income from tourists for the State as a whole amounts to nearly \$700,000,000 each year, and this should provide additional fertile ground for building substantial attendance for major league games at Los Angeles and San Francisco.

Climate is also a favorable factor. While Los Angeles and San Francisco have different types of weather, they both have very temperate climates. Both have mild spring and fall weather. Los Angeles has practically no rain at all in the summer months, and San Francisco has only an extremely small amount, averaging only .68 of an inch of rainfall in May, .15 in June, .01 in July, .02 in August and .29 in September. This means that just about all games in both cities can be played as scheduled, with a

minimum of postponements.

ESTABLISHING THE NEW FRANCHISES

There is no recent precedent for setting up a completely new major league franchise in a new city, as it hasn't been done in a great many years. In general it appears that the procedure could be worked out along the following lines.

Upon approval by a major league for the addition of Los Angeles and San Francisco to its circuit, the interested ownership groups in the two cities would then proceed to arrange a negotiated purchase of the franchises and territorial rights of the Los Angeles and San Francisco clubs of the Pacific Coast League.

The Los Angeles club has already indicated that it will sell its franchise, territorial rights, and the stands and real estate comprising Wrigley Field at a price of \$3,000,000. Of this sum \$2,000,000 would be allocated to the purchase of the ball park and real estate, and the remaining \$1,000,000 to the franchise and territorial rights. The entering club would buy the complete package at the \$3,000,000 price, and then re-sell the ball park and real estate to Los Angeles County. The Los Angeles County Board of Supervisors has indicated that upon assurance of the availability of a franchise in either the National or American League, they will purchase Wrigley Field, invest the necessary funds to expand it to major league size, and then rent it to the new major league club.

As to San Francisco, the indications are that the entering club could purchase the franchise, territorial rights, ball park