



THE INDY CORVETTE'S 30TH ANNIVERSARY

BUT WHAT'S HAPPENED TO PACE CAR VALUES?

BY TOM RUSSO

It was called the "Indy Corvette," but months before it rolled off the factory floor collector frenzy was entrenched with speculators paying over \$30,000. According to the March 27th, 1978 edition of the *Wall Street Journal*, investors expected immediate results. A typical manufacturer's suggested retail price on the window sticker was \$13,653. Thirty years later, their dreams are realized by the next generation of Corvette enthusiasts as it took the turn of a century before values soared past \$30k.

Production of Pace Cars would not begin until March 1978, but buyers walked into dealer showrooms in the fall of 1977 and plunked down \$1,000 to reserve a special edition of the 25th anniversary Corvette. Dealers didn't know what customers were talking about because back then, GM didn't shroud the unveiling of new model Corvettes in secrecy. Chevrolet's plans for a 25th anniversary Indy car had not been shared with dealers. Once dealers learned of a Limited Edition Pace Car, many reneged on the sale resulting in lawsuits by buyers. But this was an entirely new experience for dealers ... customers calling them

up and stating, "I want one of those Pace Cars!" They were not accustomed to this and Chevrolet had failed to brief them on plans for celebrating the 25th anniversary of Corvette.

The March 27, 1978 edition of the *Wall Street Journal* describes this lead up to the Indy race and the Corvette connection with great detail. Thomas Lobdell, a car collector in Wisconsin interviewed by the *Journal*, describes how he ordered five and dealers did not know what he was talking about. Darrell Hills, a Kansas real estate speculator, spent hours and days calling dealers around the country, in an attempt to pick

up a Pace Car for his son and himself. He ended up with commitments for 70 Pace Cars.

James Prather, editor of *Vette Vues*, scooped the Pace Car story during the summer of 1977 and got it out in the September issue of *Vette Vues*. The article piqued the attention of Corvette collectors and instigated the buying frenzy that persisted into the summer of 1978, like those of Hills and Lobdell. The frenzy could be likened to a game of musical chairs. If you still had your highly paid for Pace Car when the music stopped, and the music was the 62nd running of the Indianapolis 500 race, then you got stuck with a Pace Car you paid too much for and no buyers left that wanted one ... at the price you paid.

Mix in Chevrolet's uncertainty in regards to how many of these limited editions to build and it simply stirred the pot of conjecture among Corvette enthusiasts, prospective buyers and automotive speculators. It started out with 500 to coincide with the Indy 500 name and then



RIGHT: The first Corvette Indy Pace car poses for a PR shot by the pole. (Photo: Bob Stevens Archives)

RIGHT BOTTOM: Waving from the cockpit of the 1978 Corvette Indy 500 Pace Car is the late Tony Hulman, who was the guiding spirit behind the Indianapolis Speedway for decades. Unfortunately, he would not see the first Corvette to pace Indy perform its official duties for the 62nd running of the race on May 28, 1978 as he died in October of 1977, shortly after this promotional photo was taken. (Photo: Bob Stevens Archives)

the number increased to 1,000, then 2,500. Even 300 was used initially to coincide with the 300 1953 models built 25 years previously. Once dealers heard about a "Limited Edition" and the legal department got involved, Chevrolet settled production quantity at 6,502 ... one for every dealer in the country.

GM hit its stride in regards to the marketing of special production vehicles with the Pace Car. Suddenly, Limited Edition became a marketing scheme that not only grabbed headlines, but sold Corvettes while keeping Chevrolet at the forefront of its America's Sports Car image despite the horsepower void, impact of fuel economy standards, emission control and the weight of safety equipment. The 1978 model year is the heaviest in Corvette history. This model was quite a different creature from the late '60s beast and one that required a new approach to marketing and sales. Limited Edition became the ticket that evolved into this marketing tool for the GM sales and advertising toolbox.

Corvette didn't have experience with the Indy 500 race and the spin it would place on its sports car image



either. The elements for a perfect storm came together that would set marketing strategies for the sale of future Corvettes. Today, Corvette racing and special editions are mixed with the Corvette heritage of high performance and superb handling. In May, we will watch the 92nd running of the Indy 500 and, again, there will be a Corvette leading the pack.

It is the fifth year in a row that Corvette has paced the 500. There are two designs for the pace car this year; one is touting GM's commitment to alternate fuels and will be running that fuel when pacing the first laps of the race, driven by Emerson Fittipaldi. The other celebrates 30 years of Corvette's pacing Indy and uses the colors that started it

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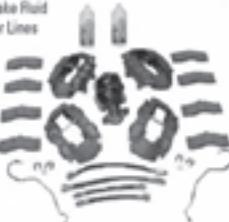
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all in a more contemporary styling. But it began quietly in the summer of 1977.

Distinguishing the Pacer From a Poser:

In the years following production, Pace Cars were copied and passed as original Pace Cars. After all, a Pace Car is built on the same chassis as all Corvettes from 1968 with black and silver paint and Indy Pace Car decals glued to the side. It also had the same 25th anniversary emblems as all 1978 coupes. Today, it's still not uncommon to find copycat versions though sellers know buyers recognize the distinguishing characteristics to look for when buying a Pace Car. But what makes a Pace Car collectible today and what gets the big bucks?

According to Gary Bennett, VP of consignment for Barrett Jackson, the 1978 Pace Car was destined to be a collectible because, "It was the first year Corvette served as a Pace Car for the Indy 500 and, second, GM only built 6,502 units." During this period, dealers typically would mark them up \$10-15K above sticker ... some sold and some did not. But many kept them since each dealer was given the opportunity to purchase one. Over the years they would be sold off, but as the vehicle got a new owner it would retain its MSO (manufacturer's statement of origin),

BELOW: The pace car in its shining moment—leading the pack of racers at the 62nd running of the Indianapolis 500 race. (Photo: Bob Stevens Archives)



"never been titled" status. No telling how many owners a particular Pace Car had, nor any way of telling its maintenance history. It's not unusual to come across a Pace Car with pristine paint, interior still in the wrapper, but the chassis underneath is rusted, leaks everywhere and spider webs cascading among the suspension components. This is an example of a Pace Car whose storage requirements were neglected.

But those Pace Cars that command the highest values are pristine examples of St. Louis factory production and are perfect examples of what the hobby refers to as a matching-numbers Corvette. They represent not only Pace Car production, but equally represent C3 production just before assembly moved to the Bowling Green plant in 1981. In addition to correct date codes, broadcast codes and part numbers, they will include factory production marks such as frame stencils, shim marks, coil spring tags, steering wheel wraps, seats engulfed in plastic and floor carpeting covered with Corvette imprinted corrugated cardboard carpet protection. Collectors know these are excellent, original, low-mileage Limited Edition Pace Cars and they are loaded with numerous options, but are seldom witnessed among either the C2 or early-C3 model series.

What is Limited Edition? Chevrolet has used similar terms to describe special



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GETTING THE SCOOP IN THE SUMMER OF 1977

James Prather tells the story with the excitement of one who lived a dream and recalls the events as they imprinted not only the pages of *Vette Vues* but his psyche as well. He and Bill Locke, associate editor, had wandered over to a red tent which had not been picked up on the radar screen by other media types that were present for a preview of Chevrolet's 1978 model lines at the GM Milford Proving Grounds in the summer of 1977.

They discovered a 1978 Corvette whose windows had been blackened but featured special trim effects that immediately caught their attention. The front end had the now classic Pace Car front spoiler and the rear spoiler flipped up just behind the gas door. The rear spoiler looked as though it had been shaped out of the rear-end deck ... not the bolt-on that eventually made it to production. The Goodyear tires had the words "Corvette" spelled out while under the side fender crossed-flag emblems were the words "1978 Indianapolis Pace Car." A red pinstripe wrapped around the entire vehicle at the body midpoint where silver paint ran into charcoal paint. This prototype evolved out of the Silver Anniversary B2Z paint scheme, but featured a red stripe.

models such as "Collector Edition" for the 1982 Collector Edition and Grand Sport in 1996. Limited Edition meant the federally regulated VIN (vehicle identification number) carried a unique serial number sequence separate from the sequence used for all other production units. Regular production 1978 Corvettes ran from 400001 through 440274 or 40,274 Corvettes. Pace Car production added an additional 6,502 units and numbered 900001 through 906502. Model year 1978 was a first for this practice. Not until 1990, when RPO ZR1

showed up again on the dealer order sheet, would Corvette use VIN tags with a separate serial sequence to differentiate "limited edition" Corvettes from coupes and convertibles.

Probably most important, next to carrying its unique VIN tag, is the extent to which the Pace Car is accompanied by full-factory documentation ... quite different from delivery documents. Dealers delivered Pace Cars to an owner with delivery documents, the Pace Car owner's manual, consumer brochures, assorted glovebox items and keys with knockouts.

Later paint was changed to black and silver to further distinguish it from the B2Z paint. T-tops were trimmed in black, but were apparently a different style than what they had been accustomed to on C3 coupes to date. Later, they would learn that Pace Cars would be equipped with blue-tinted glass panels.

The story got out in the September 1977 issue of *Vette Vues* and outpaced all competitors, including dealers. The *Vette Vues* cover showed color photos and detailed the features described above. The article announced the Indy Corvette as the "most exciting special-production Corvette ever produced: to be sold in limited quantity, the Indianapolis Pace Car is a true tribute to the Indianapolis 500-mile race and the Chevrolet Corvette." The frenzy began and customers were calling dealers and instructing them to put one of those Pace Cars aside for them ... the dealers didn't know what they were talking about.

In March of 1978, the *Wall Street Journal*'s front-page article described the Indy Corvette hysteria that had ensued for the past six months, featuring the prominent role of the *Vette Vues*' editor James Prather.

At a minimum, factory documentation includes a window sticker, build sheet and decals still in the boxes stuffed in the rear. Some owners had to retrieve these documents, now they document the Pace Car pedigree and save them for the next generation. Additional documentation passed along from owner to owner is the "Limited Edition Corvette" dealer order form that shows ordering information and the boxes checked off by the originating dealer. This form describes ordered options and with the window sticker, confirms the options installed on the vehicle. Owners

B BELOW: Resting in front of the Hall of Fame at the Indianapolis Speedway. (Photo: Bob Stevens Archives)





ABOVE: Distinguished by the "9" in the eighth digit of the VIN, this 1978 Pace Car proves to be legit. Regular production 1978 Corvettes ran from 400001 through 440274 or 40,274 Corvettes. Pace Car production added an additional 6,502 units and numbered 900001 through 906502. (Photo: Bob Stevens Archives)

may also get the factory inspection sheets and dealer order confirmation notices, from the GM zone office, of the vehicles order and RPO status.

The most sought after factory document is the build sheet—it records those options installed by the factory. A window sticker states what was ordered and paid for, but the build sheet will list broadcast codes that reconciles with parts installed on the vehicle ... a truly unique factory document.

Thirty Years Later: Today, we awe at those 1978 Limited Edition Pace Cars rolled out of trailers and onto auction floors and judging fields, still engulfed in the original wrappings of thirty years ago. Steering wheels are preserved in their 1970s-style shrink-wrap while Corvette logo imprinted cardboard guards those aluminum sill plates. Seats are wrapped in plastic to shield the silver-colored leather.

The *Wall Street Journal*, in March of 1978, predicted values would rise to over \$30,000 within weeks as the 1978 Chevrolet Limited Edition Pace Car Corvette rolled off the St. Louis assembly plant floor. Yet it took the turn of the century before investors began to see those values creep over the \$30K mark. Today, investors are seeing mid-\$40K for low-mileage Pace Cars with desirable options and full documentation. For example, the high-water mark was reached in the summer of 2006 when a 1978 Pace Car with an L48 four-speed sold for \$47,000 at a Barrett-Jackson auction. According to Bennett, "It was a fully documented, perfect Pace Car with 77 miles on the odometer."

Most Pace Cars, according to Bennett, will bring anywhere from \$25,000 to \$35,000 depending on condition, documentation and care. Desirable

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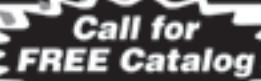


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RIGHT: Front page of the March 27, 1978 edition of the *Wall Street Journal* featuring the Pace Car article.

options drive values higher. These options include the high-performance L82 (220 horsepower versus 185 hp for the L48), close ratio M21 four-speed transmission and the FE7 Gymkhana high-performance suspension. In contrast, this past summer (2007), a fully restored NCRS Top Flight Pace Car sold for \$26,000 at the Scottsdale Barrett-Jackson auction—probably what it took to restore the car. Bennett added that at times the values for Pace Cars “gets weird”!

What gets weird, are Pace Car sellers who stake out the rarity of the vehicle they are selling by making claims of “rare” combinations. No documentation exists nor did Corvette publish numbers that state how many Pace Cars were built with the combination of L82, M21 and/or FE7. Yet sellers will claim, for example, that only 200 L82 Pace Cars came with a four-speed. What can accurately be said is that M21 is a desirable option when equipped on a Pace Car, but then any four-speed in a Pace Car is preferred. The M21 could



not be ordered when the L48 box was checked off on the dealer order form, which makes this even rarer ... but desirable? This combo did get \$47K at the Barrett-Jackson event referenced above.

It's not uncommon to see high-mileage Pace Cars sell in the mid-teens. But, high mileage for Pace Cars is in the 50,000-mile range while high mileage for Corvettes is typically 100,000 miles. Throw in a mix of desirable options with full documentation and these

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ABOVE: The Corvette Z06 E85 concept (left) runs on E85 ethanol fuel and will be driven during the race's pace lap by two-time Indianapolis 500 champion Emerson Fittipaldi. The Corvette 30th Anniversary Pace Car honors the 1978 model—the first Corvette to pace the field at the Indy 500. (Photo by Ron McQueeney for General Motors)

vehicles will command higher values than their counterparts. A high mileage, undocumented, neglected L48 automatic transmission Pace Car would represent the bottom of the Pace Car food chain. But, one thing you can't take away—it's a real Pace Car!

Pace Car Desirable Options: Pace Cars came loaded with all of the convenience options available including glass blue-tint T-tops, bigger tires and aluminum wheels with a red pinstripe. All that remained was to pick the transmission and engine, and suspension (base or FE7). The radio could be upgraded and automatic transmission buyers could pick up cruise control.

The most desirable options are the L82, M21 and FE7 suspension—these were the high-performance options in 1978. No one knows how many were built with the L82/M21 combination, yet the estimates among enthusiasts ranges anywhere from 200-300 ... an extrapolation of numbers at best, since only 3,385 of all 1978 Corvettes were equipped with an M21 four-speed and another 4,777 with an M20 wide-ratio

transmission. Of the 4,777 M20s, it is not known how many were equipped on L48 or L82 Pace Cars.

The M21 could not be ordered when the L48 was specified, so the L48 was delivered with a Muncie, economy cast-iron four-speed used on other models in previous years but never installed on a Corvette. Clearly, this is a rare combination, but no one has the numbers on this power team nor is it considered a "desirable" option. It's just rare. In 1978 three four-speeds were stocked in factory bins. Of course, only 3,385 out of the 46,776 units built were equipped with the optional close-ratio M21 four-speed. But if a buyer ordered the L82 and the M21 was not specified, it was equipped with the Borg Warner wide-ratio M20 four-speed transmission. The third bin carried the Muncie (formerly Saginaw) M20 wide ratio that was reserved for the lowly L48 motor.

The FE7 Gymkhana Suspension included heavy-duty shocks, heavy-duty front coils, heavy-duty rear spring with the beefiest front sway bar ever offered ... the 1.125 inch diameter bar coupled with a 7/16" bar in the rear. The reader

may recall that in the 1968-'72 period, small-block, high-performance motors (like LT1 and ZR1) could not get the F41 suspension, equipped from the factory. The reason this suspension became available during the late model C3 is so that the Chevrolet Corvette could compete in the Gymkhana class. This class required finesse driving and the stiff suspension minimized roll in contrast to raw horsepower that catapulted vehicles in a straight line. The irony is that the lowest horsepower output motors produced throughout the third generation, were offered the most robust suspension in Corvette history.

Rarely talked about as desirable options, but ones that caught the attention of enthusiasts, are both the air dam and rear deck spoiler. These items showed up on the 1979 options list as D80 front and rear spoilers and could be purchased for \$265. The option was not available in 1978. On 1978 Pace Car build sheets, D80 is called out as the "rear panel" and D75 called out as an "air deflector." As a result of their popularity and functionality, they were designed into future Corvettes.

Dave McLellan in his book "Corvette from the Inside: The 50 Year Development History" writes that the C3 was being redesigned for the 25th anniversary with the fastback popularized on the midyear Corvette. Various strategies were being explored and a wind tunnel was used to test results. They learned that a front chin and rear spoiler reduced the drag coefficient from 0.50 to 0.42, a remarkable decrease that reduced both lift and drag. This resulted in a "prominent front air dam" and a "tall rear deck spoiler" introduced on the Pace Car. Today's C6 sports an aerodynamics-tuned vehicle sporting a 0.28 drag coefficient, but the attention to drag and lift reduction to improve high-speed stability and better fuel economy heralds back to its adoption for the 1978 Pace Car.

Why now after thirty years? The easy answer is that the Pace Car has emerged from under the shadow of its older sibling the 1968-'72 models with their high performance, high horsepower, last-of-an-era type power, but the reality is that the Pace Car was a collectible before it was ever built. Engineering and design dollars were routed into fuel economy, emission control, and safety equipment to keep the platform alive. Chevrolet was challenged with celebrating the Corvette's 25th anniversary in such a way that the image would survive the next 25 years. To link its image with the world's premier sporting event, using a Corvette with virtually no performance options and in contrast to its heritage, set a precedent that would keep the Corvette image linked forever and distinguish it as truly America's sports car.

We asked Bennett where he saw Pace Car values going and he stated, "Gonna go up!" Corvette continues to build America's sports car based on its heritage of high performance, superb handling and style. Its involvement with racing keeps Corvette at the forefront of the automotive world and in full conformity with emission control standards begun in the 1970s. Bennett added, "GM is about to rock the world with its ZR1 600-plus horsepower Corvette in 2009." The third-generation ZR1 will be built in a limited quantity, equipped with a supercharger, and carry an estimated priced tag of \$100,000. The future for the collectibility of the 1978 Limited Edition Pace Car will remain deep-seated in both automotive and Corvette history. ■

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