

*Few Want to Drive
This Car, but Many
Are Eager to Buy It*

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Collectors, Speculators Bid Up
Prices of 'Indy Corvettes'
Before They Reach Market

By CHARLES B. CAMP

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Gerald Chouinard is upset. He wants to
buy a new Chevrolet near his Aurora, Ill.,
home, but he says the dealer won't sell it to
him—even though Mr. Chouinard put down a

First of Its Kind

Forty years on, the mystique of the epochal '78 Indy 500 Pace Car endures

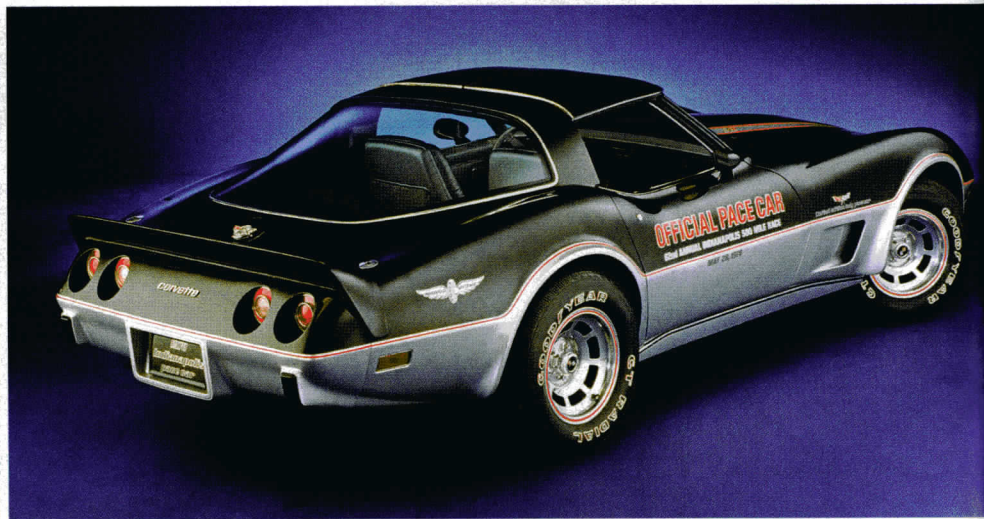
| BY TOM RUSSO AND JAY HEATH | PHOTOS COURTESY GM |



“THEY’LL BE SELLING FOR \$75,000 IN 90 DAYS!” So stated a front-page column that appeared in the March 27, 1978 issue of the *Wall Street Journal*. The item in question wasn’t a hot, new stock offering, but the 1978 Corvette Pace Car Edition, a car that had been stoking the imaginations of savvy auto enthusiasts for months. Indeed, prospective buyers had been walking into dealer showrooms, deposits in hand, since September ’77, when the publication *Vette Vues* ran a story teasing the car’s upcoming release. The first press release from the Chevrolet Motor Division didn’t follow until October 17, just a day before the car itself was unveiled at the Indianapolis Motor Speedway’s annual media confab.

But while the *WSJ* article wasn’t exactly a scoop, the bold prediction contained therein set off a frenzy of speculative buying that drove demand for this limited-edition car into the stratosphere. Capitalizing on the hype, many dealerships charged—and received—well over retail for the first ’78 Pace Cars, establishing a trend that would come to define the release of new, limited-edition Corvettes in the decades ahead. With 2018 marking four decades years since this seminal model hit the market, we decided to take a look back at the extraordinary circumstances surrounding its design and release.





(Above, from left) Corvette Chief Engineer Dave McLellan, Assistant Chief Engineer Paul King, General Motors CEO Bob Stempel and Chevrolet General Manager Robert Lund pose with the '78 Pace Car. Aero aids such as a tall rear spoiler meaningfully reduced drag. (Below, from left) The model's signature look required specialized production processes, including dedicated areas for paint and decal application. Pace Car front spoilers were shipped uninstalled, then bolted on at the dealership.



Hype Machine

The 1978 model year represented the Corvette's 25th anniversary, and product planners were in a quandary. How best to celebrate this milestone event when new emissions controls, safety upgrades and fuel-economy standards had drastically eroded the car's performance edge? Facing these constraints, Chevy sought to celebrate the Corvette's tradition of heritage and performance, without necessarily advancing it. And what better way to do so than by partnering America's Sports Car with the nation's premier racing event, the Indianapolis 500 race?

It was a marketing coup, but there were more hurdles to overcome. In his book *Corvette from the Inside*, former Vette engineering head Dave McLellan remarks that "Chevrolet argued incessantly about how many Pace Cars should be built," agreeing only that the car would be offered as a limited edition. Back in 1978, this meant that the car's federally regulated VIN tag would carry a unique serial-number sequence, one separate from that used for all other production Corvettes. Having initially set the tally at a

scant 200 units, then bumped it to 300, the team was ultimately swayed by burgeoning market interest to ratchet that figure all the way up to 6,502.

Dealers—and buyers—were undeterred. One enterprising salesman set aside \$125,000 to pick up eight Pace Cars that he hoped to sell at a profit. Thomas Lobdell, a Wisconsin car collector interviewed by the *WSJ*, described how he ordered five cars, even though the dealers were unable to confirm their availability. Dealer Bud Schoenleben claimed to have bought a '78 Pace Car for "twice the window sticker and borrowed the money at 19 percent interest." He sold it later, losing \$10,000, but continued to buy and sell Pace Cars until he finally broke even.

Famed Corvette dealer Roger Judski, who had been selling the marque since 1965, later attributed the frenzy to the influence of the *WSJ* article, noting that, overall, Pace Car sales had tended to be slow before the story hit. Afterwards, asking prices regularly included "market adjustment fees" that added \$10-\$15,000 to the car's \$13,653.21 sticker. (For reference, a base

'78 Corvette with no options could be had for \$9,351.89.)

But while few today would argue that the '78 Pace Car was truly worth \$25K-plus, the car did have much to recommend it. The black-on-silver paint was distinctive without being gaudy, and the model-specific aerodynamic aids—a front air dam and a tall rear spoiler—cut the car's coefficient of drag from .50 to .42. No special powertrain choices were offered, but the Pace Car could be optioned with the 220-hp L82 V-8 and a M21 close-ratio four-speed. In all, it was a worthy celebration the Corvette's silver-anniversary year.

Assembly Required

Contemporary photos from the St. Louis plant reveal some interesting details about the challenges of building and delivering '78 Pace Cars. Because the freight trucks used to transport Corvettes and other Chevrolets weren't designed to accommodate the model's new, lower front end, the Pace Car's air dam was shipped uninstalled in the rear storage compartment and bolted on at the dealership.

Other issues were more difficult to overcome. For one, it was becoming clear that the St. Louis Corvette Assembly Plant lacked the real estate needed as Corvette orders swelled in the mid-to-late 1970s. Making matters worse, the '78 Pace Car (and, to a lesser degree, the B2Z '78 Silver Anniversary option) required special attention to create its signature appearance. Applying the two-tone paint was the most obvious challenge, but installing the numerous decals included in the package also required some creative reorganizing. In the end, the latter task would be completed away from the Corvette assembly line, in the area normally used for final-prepping Impalas.

Typical Corvette production at the time ran about a 100 units a day, but from March 18 through May 5, 1978, that number swelled to 135, all of which were Pace Cars. To keep up, all other Corvette production was suspended during this span.

An Up-and-Down Market

Though the Pace Car didn't prove to be the blue-chip investment the *WSJ* predicted in 1978, its value has drifted upward over the past decade. The trend began in 2006, when a fully documented L48 four-speed showing just 77 miles sold for \$47,000 at a Barrett-Jackson auction. Since then, Pace Cars sold have sometimes matched or exceeded the *WSJ*-projected value of \$75,000, albeit in today's comparatively inflated dollars.

For example, at a Mecum auction in 2014, a seven-mile L82/M21 car equipped with the FE7 Gymkhana Suspension sold with its

Manufacturers Statement of Origin status intact—meaning the car had never been titled and was thus technically “new”—for \$75K on the nose. This time capsule still had its three-piece spoiler stowed in the rear compartment in the original plastic bags. It was soon followed by a 30-mile L82/M21/FE7 car, also with an intact MSO, that brought \$82,500 at Barrett-Jackson Scottsdale.

Extremely low-mileage cars like these represent the pinnacle of the '78 Pace Car field, and their prices reflect their rarity. For prospective buyers of more modest means, our market data reveal that it remains possible to score a show-ready L82 four-speed car for around \$40K, with slightly rough L48 cars available for less than \$15K. As with any classic-Corvette purchase, it's important to have a clear idea of your goals—and budget—for the car before you start your search.

In addition to checking all of the typical C3 problem areas—frame rust, leaking brakes, et al.—a Pace Car purchase demands a degree of specialized detective work. Look for the serial number, and confirm that the VIN derivative matches the ones shown on the engine block pad and the transmission. A quick survey of the engine compartment should reveal mechanicals that are correct, with both broadcast codes and date codes. Leaf through the owner's paperwork, looking for original sales documents. Ask for the landscape-style GMAD (General Motors Assembly Division) manifest. This will allow you to reconcile the factory option codes with the equipment currently installed on the car. Most important of

all, look for RPO Z78, which comprises the paint, decals and creature-comfort options that were bundled to make a Pace Car.

The Pace Car at 40

Despite its early struggles, the '78 Pace Car represents an important chapter in Corvette history for a number of reasons. First, it stoked public interest in a car that had long since passed its prime at the time of the model's release. Second, it demonstrated that brand enthusiasts were keen to purchase limited-production versions—and, in particular, Indy 500 Pace Car treatments—of their preferred sports car, a predisposition upon which Chevrolet continues to capitalize to this day. Third, and less happily, it established a precedent for dealer markups on newly released premium Corvettes, one that would return to bite early buyers of the '90 ZR-1, the '06 Z06 and other top offerings.

While those \$75K sales didn't materialize back in the day, the '78 Pace Car's reputation as an investment has recovered enough in the intervening years that it can now be considered a legitimate collectible. And with more and more of these Corvettes ending up in private collections, it's entirely possible we'll see one crest the \$100K mark at auction in the years ahead. That would, of course, take a very special, low-mileage car, but dealer-collector Roger Judski is confident that such examples are still out there, waiting to be plucked from obscurity. Asked how many never-titled '78 Pace Cars he believes are still socked away in garages today, Judski replies cryptically, “More than we know.” ○

1978 Limited Edition Pace Car Production Numbers

Units Built	Pct. of Total	RPO	Description
70	1.1%	L48 MM4 (M20)	L48 Base V-8 equipped with Muncie wide-ratio 4-speed
114	1.8%	L82 MM4 (M20)	L82 Optional V-8 equipped with Borg Warner wide-ratio 4-speed
512	7.9%	L82 M21 L82	Optional V-8 equipped with Borg Warner close-ratio 4-speed
2,384	36.6%	L82 MX1 (M38)	L82 Optional V-8 equipped with Turbo Hydra-Matic 350
3,434	52.7%	L48 MX1 (M38)	L48 Base V-8 equipped with Turbo Hydra-Matic 350

You'll note that, when totaled, this table shows that 6,514 Pace Cars were built, 12 more than the published number of 6,502. It's likely that the higher number encompasses a dozen engineering mules, prototypes and other purpose-built cars that weren't included in the official tally. For example, a GM Inter-Organizational memo dated March 21, 1978 directed that four Pace Cars be built for the Indy 500—two lap cars (VINs 001 and 002) and

two backups. After the race, VIN 001 was designated a corporate historical vehicle and sent to the GM Heritage Center in Michigan, while VIN 002 was presented to race winner Al Unser Sr. The two backups were regular production coupes, but outfitted with the RPO Z78 Limited Edition package. One, bearing VIN 1Z8748S416658, was presented to the Indianapolis Motor Speedway Museum, where it resides today.