

Whether in the **Office** or the **Race Track,** Jim Michaelian is Well Suited



Ladies and gentlemen, start your engines for the spectacle of racing, a sport where the boundaries of speed and danger are pushed to the most extreme of limits. Drivers collectively fire their engines as they make the cockpit of their cars an office for the afternoon. Cars jockeying for position zip by as the grim possibility of death hauntingly lingers. Survival of the fittest is juxtaposed with survival of the quickest.

Safety in motorsports is an ancient concern. Sitting behind the wheel of a car at a speed upwards of 200 MPH requires a special kind of intestinal fortitude. Damages to a car are fixed in the garage; damages to an individual's life can be irreparable. Over the years, tragic deaths on the track have shaken the racing world to its core foundation.

May 1, 1994, Ayrton Senna, aged 34, Formula One.

February 18, 2001, Dale Earnhardt Sr., aged 50, NASCAR.

October 16, 2011, Dan Wheldon, aged 33, IndyCar.

As a result, this year several key safety improvements were made, namely the new DW12 car (named after Dan Wheldon) that prevents cars from going airborne.

On May 27, 2012 the greatest spectacle in racing – the Indianapolis 500 – completed its 96th running over Memorial Day weekend. IndyCar was still mourning the death of its son Wheldon, killed last year in a crash at the Las Vegas Motor Speedway after his car went airborne. A friend of the late British great, Dario Franchitti, paid tribute the best way he possibly could: by winning the Indy 500 for a third time and sharing the spotlight with his closest friend by honoring him in Victory Lane. Hallowed in tradition, the Indy 500 is home to the biggest race in the world as close to 300,000 spectators line the Brickyard.

Shift the racing scene 2,000 miles west of Indianapolis to a sunshine backdrop of a marina filled with boats, the shore of the Pacific Ocean and the downtown Long Beach skyline, and you have what is colloquially known as the “greatest street race in the United States” in the Toyota Grand Prix of Long Beach.

It is spearheaded by the brains and vision of its President and CEO Jim Michaelian – one of the founding members of a racecourse that was initiated on the basis of safety.

Text **Manouk Akopyan** | Photo **Tigran Tovmasyan**

The only thing you can judge in this sport is the long term. You can judge a career or a season, but not one race.” Those were the words uttered by French-Armenian Hall of Fame Formula One driver Alain Prost after Le Professeur won the 1987 Brazilian Grand Prix by a 40-second margin. If Jim Michaelian had judged the Long Beach Grand Prix after the financial struggle of its first two races, we wouldn’t be sitting here today interviewing him for the cover story of *Yerevan Magazine’s* Automobile issue, and Michaelian would probably be shackled to his desk at a NASA laboratory answering questions about Sputnik for a science article.

Michaelian is not your average man in a business suit. When he is not directing an IZOD IndyCar Series race that is going into its 39th run next year, at 69 years-old, he is racing himself. I caught up with Jim Michaelian after he returned from a 24-hour endurance race at Nürburgring in Germany, regarded as one of the most challenging purpose-built tracks in the world. Michaelian concurs that. He’s raced all over the world and says Nürburgring is by far the most difficult. He and two other drivers split the race into three eight-hour shifts in a Porsche GT3, and although they placed 11th, Jim couldn’t sound any happier as his face blossoms and the pitch of his voice changes as soon as he talks about racing.

“At a very young age, I enjoyed the whole racing scene, and I never got over it,” he says.

Michaelian traces his love affair with racing back to when he was a newly graduated 17 year-old from Alhambra High School. That’s when he put his life savings into a 1960 Chevrolet Impala replete with a 335 horsepower, 348 cubic inch V8 engine, and drag raced it at Lion’s Drag Strip. It was a time of trouble, Michaelian admits with a sly smile. “I was constantly working on my Impala because I used to beat it up so bad.

Add all the tickets I got and it was a real drain on my resources,” he says. “Speed was something that was inbred in me and as a consequence it started to engender a real interest. Little did I know that down the road, such an opportunity would present itself.”

The Impala lasted almost five years only because a day came when all the speeding and tickets got out of hand, and Michaelian ended up in the Santa Monica Courthouse with jail time looming over his head.

“The judge asked, ‘Based on your records, is there any reason why I shouldn’t put you in jail? Can you give me a good reason why I shouldn’t?’”

That’s when Michaelian gave the judge an offer he couldn’t refuse – he promised to replace the Impala with a 1962 Volkswagen Beetle.

Sitting in a spacious office that easily doubles as a racing museum, Michaelian takes a trip down memory lane to a time when he used to channel his inner Dan Gurney, who is in a tie with Mario Andretti as his favorite driver of all time. Michaelian admits that he has accumulated over 100 speeding tickets in his lifetime. “I don’t waste them on left turns,” he laughs. “It’s an expensive habit...but what can I say?” Our photographer experienced what he was talking about first hand as he

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followed Michaelian dodging cars through the streets of Long Beach on the day of his photo shoot. It might have been the most unassuming trail blaze in history: Michaelian’s two-door burgundy-colored 1996 Lexus SC 300 against a 2006 Mazda M3 full of photo equipment.

Michaelian can definitely afford to upgrade himself from a 16-year-old car as his means of daily commute, but after a lifetime of tickets, he prefers to be inconspicuous – which is why he unleashes his Ferrari 360 only on the weekends.

His life has endured its unfair share of pit stops, unexpected turns and caution flags – like surviving cancer. Today, he is healthy and happy but also deals with having sight in only one eye after the other was removed 12 years ago because of the cancer. His left eye is a false one, but Michaelian makes no excuses for his performances on or off the track. He is a private man who would rather focus on the task at hand – which for the last 38 years, has been running the Toyota Grand Prix of Long Beach (TGPLB). Today, his title is President and CEO, but he’s worked through every single job description. The race has given him the latitude to move across the board and dabble in every department. Nowadays he is an “employee,” but it’s safe to say he has the most secure job in all of America. After all, he works for a race he essentially helped create.

Just like Los Angeles, the 1950s and 60s were an expansive time for the Michaelians. Jim was born in Monterrey Park, lived in East Los Angeles for five years, then moved to the suburbs of Alhambra, where he was raised. After high school, he went to UCLA to pursue a degree in physics at the height of the space program when Sputnik, the artificial satellite, was released into orbit by the Soviet Union.

“It was a huge shock to the Americans, like ‘how could the Russians do that to the us?’ So schools would identify any American kid that had a decent IQ and



encouraged them to major in physics and science. We were the generation that was to recapture the glory of America. After taking an honors class, it didn’t take long for me to realize that someone else would have to save the world.”

As Michaelian endured an internal cold war, he accumulated credits in different fields and wound up with his Bachelor’s in Physics and Master’s in Business Administration, a particular line that he had no interest pursuing, he says. While in graduate school, he moved to Long Beach and worked the graveyard

shift at the harbor, commuting to school by day. He went through several jobs while searching for his career path. He worked for a motor-supplier company and also exercised his entrepreneurial zeal by teaming up with a buddy of his to operate a handful of bookstores. Michaelian was living in Long Beach with his wife Mary and two sons in 1973 when travel agent/racing enthusiast Chris Pook convinced the Long Beach Convention & Visitors Bureau to host a Formula One race in the downtown streets. At the time, the city was mostly

an elderly Navy town that had brought in the Queen Mary and was looking to change its image. “I had a big interest in the idea of this race,” Michaelian recalls. “There was no way I wasn’t going to be involved.” Very much intrigued by a race held in his back yard, Michaelian arranged a sit-down with Pook. Because of the city’s and insurance company’s obvious concerns of running a race in a metropolitan area, Pook and Michaelian began spearheading the design of a safe course. ▶

Jim Michaelian

Jim Michaelian was born February 11, 1943 in Monterrey Park. He now lives in Seal Beach, California with his wife Mary. They have two sons, Mike, 46 and Bob, 44. Jim’s mother Edith Chivitjian was born and raised in Fresno; his father John Michaelian was born in New York City and then moved to Los Angeles. John would frequent Fresno, where he met Edith. Jim was their middle child of three sons.

Jim Michaelian has served in a number of capacities over the years at the Grand Prix Association of Long Beach (GPALB). Today, he manages operations, secures financing and markets the race as the President and CEO.

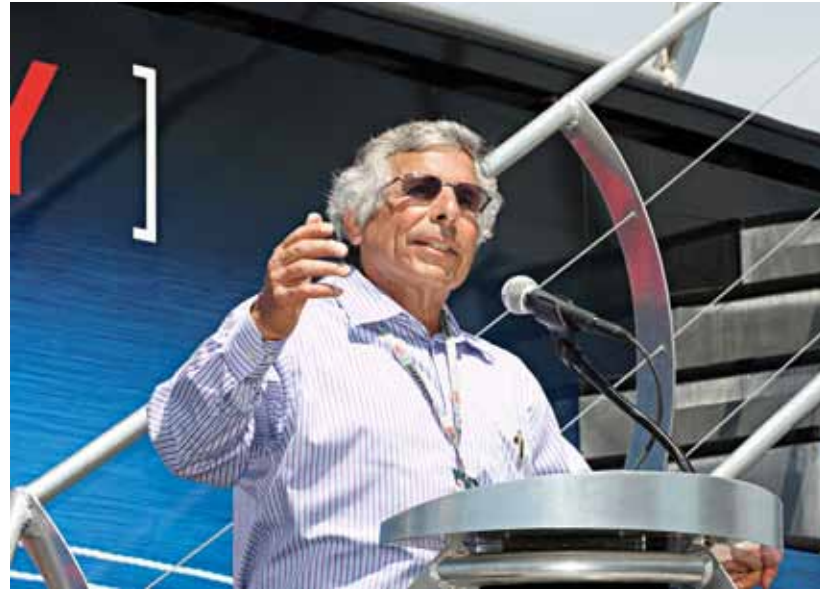
A graduate of UCLA with a Bachelor’s degree in Physics and a Master’s degree in Business Administration, Michaelian also serves on the board of directors of the Grand Prix Foundation, and the Long Beach Convention and Visitors Bureau. Michaelian also manages the subsidiary organization, Grand Prix Special Events, which specializes in temporary structure rentals for events such as the Academy Awards, the Rose Parade and other race facilities.

He holds a competition driver’s license and has participated in a number of endurance races (some of them with his son Bob), including the 24 Hours of Daytona and the 12 Hours of Sebring, as well as races in Watkins-Glen, Dubai and the Circuit de Spa-Francorchamps in Belgium.



↑ Jim Michaelian and 2008 TGPLB Grand Marshal, director George Lucas.

→ Michaelian has worn many hats over his 38 years at the TGPLB.



By the Numbers: Toyota Grand Prix of Long Beach (TGPLB)

- 85** – Laps totaling 167.2 miles for the entire race
- 11** – Turns on the 1.9 mile track
- 6** – All-time wins by Al Unser Jr., the most ever at the TGPLB.
- 16** – Races in the IZOD IndyCar Series season. Long Beach is the third race of the season
- 2001** – Chris Pook leaves TGPLB
- 2012** – Winner Will Battle
- 0** – Deaths on or off the track
- 21** – Percentage of the increase, compared to last years, in ratings for this year's televised race on NBC Sports Network
- 39th** – TGPLB race will be held April 19-21, 2013



By the Numbers: Formula 1 Racing

- \$40 million** – Earnings for Team Ferrari driver Fernando Alonso, No. 2 in the world only to boxer Manny Pacquiao's \$50 million. Team McLaren driver Lewis Hamilton – \$20 million; No. 32 in the world – was the next F1 driver on the same list, according to ESPN
- 18** – Years since the last death of a driver at the wheel of an F1 car. In 1994, Ayrton Senna, was killed at the San Marino Grand Prix. One day before, Roland Ratzenberger also lost his life in an accident during qualifying. The tragedies triggered a drive to improve safety standards and they were the last drivers to die at the wheel of an F1 car
- 2.4** – Regulated size of a car's V8 engine, with a maximum RPM of 18,000 and minimum weight of 95kg
- 635** – Minimum weight in kilograms that each car, along with its driver, must weigh
- 62** – Approximate number of gallons a car consumes per race, which is about 190 miles
- 200** – Degrees in temperature that tires are preheated by electric blankets, seconds before each pit stop
- 1** – Number of nuts holding each wheel to the car
- 4** – Seconds it takes to change four tires, on average



They reached out to safety advisers and consultants, but only had a marketing specialist and an executive secretary on board working full time. Michaelian had no prior points of reference and went straight to the drawing board based on the potential success the race may have.

"We had to raise the money from the ground up and start from scratch. There was no book on this kind of thing. We basically put all of our money into it, and we reached close to a million dollars. With the money, we marked a safety system that was necessary to conduct the event."

With 40,000 seats in place and CBS televising the event on a beautiful Southern California afternoon, on September 28, 1975, Michaelian and company held the "F5000" race after only six months of preparation.

"The irony of it all was that the city officials who were skeptical, who said 'I don't think this is going to work,' were our guests in the suites. All of a sudden they were patting us on the back saying, 'See I told you. Look at all these people. What a success!'"

Although the event made sense to the outsider looking in, it didn't make dollars and cents for Michaelian. He was gripped with disappointment when the first two races yielded only mixed results; it was an artistic success in the eyes of fans and city officials, but in terms of his bank account, it was a colossal commercial failure. Of the estimated 65,000 people that attended the first race, only a little more than half paid.

"I'll never forget it," says Michaelian. "I went to the box office after the race and told Stanley, the operator, 'Did you see all those people out there? Every seat was full, people were all over the place.'

Long Beach Mayor Bob Foster tells Yerevan Magazine the TGPLB generates \$25 million for the city with each race.

Stanley kept looking down, shuffling his little slips then said, 'Son, I don't know how many people you had out there, but here's the number that paid.' I looked at the slip and my heart just sunk. Only 37,909 had paid."

Michaelian now had the problem of telling everyone it was a success when it reality, they had just collectively lost half a million dollars. Looking to quickly bounce back, a second race was held six months later in March 1976, and by now it was officially a Formula One race. Taking the appropriate measures for extra seats and security, the turnout was not the 75,000 they anticipated. Result: more losses – this time \$750 thousand – running their debt to \$1.25 million.

By the third race, desperate deals were made in order to financially survive and workers were being paid at the pace of a snail's race. "We adopted unique measures to get by because people were walking with their hands out. So, we took our entire safety system – all the materials, blocks, fences, poles – and

sold them to our key investors. With the newly made money, we bought the safety system from Grand Prix and then leased it back to them for five years at a rate that would give us a return if we survived. Then, Chris and I met with each of our 140 creditors individually. All but two took the deal, and we managed to survive.

The race in 1978 can be considered as the one that solidified them. It was a great one in every facet – and Mario Andretti won, changing the perception of the race. "It really solidified our presence, and even though we still lost money, it wasn't nearly as much. We watched our finances for the next few years, and began to turn a profit of a couple hundred thousand dollars."

In 1980, they secured a deal to bring Toyota as the title sponsor for the event and have been comfortably backed by them ever since. The collaboration also marked the start of the Japanese company's involvement in U.S. Motorsports. With the TV time Toyota gets – compared to what it would cost them in traditional advertising – it's considered a win-win situation.

"During domestic and international television coverage of the various events comprising the Toyota Grand Prix of Long Beach, the various logos of long-time title sponsor Toyota fill the screen for more than nine hours throughout the broadcasts," says Eric Wright, president and executive director of research of Joyce Julius & Associates, a third party company that measures and evaluates the value of corporate sponsorships.

"When also factoring in media coverage stemming from TV highlights and print, as well as on-site branding and promotions, Toyota has annually reaped

more than 200 million impressions from the sponsorship.”

After the race in 1983, the TGPLB went through a transitional phase when their contract with F1 was up for renewal. Because of increased sanctioning fees, they switched to IndyCar in 1984, where they've remained ever since. It was a seismic cultural shift.

“Everybody liked the international flavor, and there were a lot of skeptics saying (the change from F1 to IndyCar) wouldn't be the same crowd. Mario Andretti was a link to the F1 days and won the 1984 race as an IndyCar driver. It wasn't the F1 crowd, but it was decent. Plus, our philosophy here has always been three days of entertainment.”

Motorsports has long been second rate among U.S. sports fans but first rate on the international level. In that sense, it draws similar parallels to that of soccer. Formula One is a European phenomenon, glamorously celebrated with champagne in Victory Lane. It is also the richest and most popular racing series in the world. IndyCar and, predominantly NASCAR, is still a Southern phenomenon in the United States as victories are celebrated with 2% milk and a bottle of soda pop. Michaelian likens it to pasta and hot dogs.

In addition to six separate races, the TGPLB is constantly building on a weekend potpourri of off-track activities. The slate of attractions includes concerts, go-cart tracks, kids zones, food villages, shops, expos and more. For the race this past April, Michaelian estimates that 170,000 people attended the three-day festivities and over 25,000 people worked it.

As the masses engage in a three-day shop-a-palooza, the progress and beautification of the surrounding city has really expanded in recent years as a series of lavish hotels, restaurants and buildings now stand in the background. From an economic standpoint, the Toyota Grand Prix of Long Beach has had a similar effect as the Super Bowl or Olympics has on its hosting city.

Long Beach Mayor Bob Foster tells *Yerevan Magazine* the TGPLB generates \$25 million for the city with each race.



Over the Years: Indy 500

1911 – The first Indy 500 champion Ray Harroun received a payday of \$14,250. Franchitti and his 2012 race-winning Ganassi team won nearly \$2.5 million in prize money.

1942-1945 – The race is suspended for the duration of World War II.

1952 – “Fearless” Freddie Agabashian makes history by winning the Indy 500 pole by hitting a record 138.01 mph. He does so remarkably

in a 3100-lb, turbocharged inline-six-cylinder truck diesel that puts out around 400 horses.

1955 – Driver Edward G. Eliseian stops to help Bill Vukovich after his car crashes and burns during the Indy 500. He received the Mobil Gas Sportsmanship Award for the gesture. In 1959, Eliseian died on the race track when he skidded on an oil slick, crashed into the wall, overturned and burst into flames. He was 32.

1963 – Pamelli Jones wins the Indy 500 in JC Agajanian's Willard Battery race car.

1965 – Fred De Orian, who designed, built and serviced Indianapolis 500 race cars, receives Indy 500 Mechanics Achievement Award. Prior to that, he had built cars for racers Johnny Boyd and Andy Guthrie and was a mechanic for Johnnie Parsons in the JC Agajanian team.

2005 – Danica Patrick becomes the first woman to hold a lead in the Indy 500. She finishes fourth, highest

for a woman. In 1977, Janet Guthrie was the first woman to ever qualify

2007 – Helio Castroneves shows off his wheels by winning *Dancing With the Stars*. Castroneves is also a three-time Indy 500 winner.

60 – Event-related fatalities have occurred at the Indianapolis Motor Speedway, including 38 drivers, 12 riding mechanics, five spectators, two pit-crew members, two firemen, and one young boy.

“It is the largest, most iconic event of Long Beach every year,” says Foster, who has served as Mayor for the city since 2006. “Jim does such an excellent and professional job. I can't imagine anyone else handling all of the intricate parts of a race as well as Jim does. He's really marvelous.”

“One of the redeeming and rewarding aspects is that every year, we watch this event reinvent itself and start over with new concepts as all kinds of people come together to make it the best event we've ever had,” says Michaelian.

“The Toyota Grand Prix of Long Beach has become a staple of IndyCar and it is one of its premiere races,” Randy Bernard, CEO of IndyCar, tells *Yerevan Magazine*. Bernard considers the TGPLB in his personal top-five race for the 16-race series. “Jim Michaelian has done a wonderful job fulfilling that and continues to build it to what it is today.”

Bob Jenkins, the lead commentator for the IndyCar Series on NBC Sports Network, says, “Long Beach is the longest running and most prestigious street race in the country. Every driver wants to win on the oval at Indianapolis and on the street course in Long Beach. Organizers and promoters of the event have made the city of Long Beach synonymous with exciting and highly entertaining racing.”

The days of proving legitimacy have long been in the race's rear view mirror. Michaelian and company now maintain year-round revenue with offseason business operations in leasing and consulting companies. They are no longer selling their safety system to their own investors. Instead, they rent them out to other cities for events like the X-Games, Academy Awards and Emmys.

Once the TGPLB consistently started cashing in the green, Michaelian used

his connections in the sport and began attending racing driving school in order to pursue a professional career. In 1992, he turned pro.

“I wanted to make an effort to at least have some kind of racing career. I had a family, and couldn't afford it before, but I don't regret that at all. Unlike other sports, talent doesn't get you very far in racing. But talent plus money gets you a lot further. This sport is tough because the great talents often don't even make it to the top. Talent with a little bit of money does.”

The 2012 IZOD IndyCar Series has a lot of talent – arguably the best competition in 15 years, a fierce battle between manufacturers Honda and Chevrolet and a new car design Wheldon ironically helped test before his fatal accident.

“You hate to see someone have to lose their life, but it almost calls for that nowadays to wake people up and have them stop saying ‘Oh, we got lucky.’ Well, sometimes you don't get lucky. Dan (Wheldon) paid the ultimate price. It's a paramount concern for our sport.”

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Unveiled by Italian race-car maker Dallara Automobili, this year's new car is sleek, yet, is all about driver safety, especially on preventing cars from going airborne. It features improvements with a smaller engine, wider cockpit and sidepods, vertical wings, wheel and rear-wheel guards and energy absorption foam.

“It's been falling on some deaf ears that we've had only one fatality in the last two million miles. That's still one too many, but that's a tremendous amount of miles to run,” says Bernard, IndyCar's top boss since 2010. “We have made significant strides of progress. If you look at 1950 to 1959, there were 99 IndyCar drivers and 35 of them were killed. When a race car driver signs up to race a race car, he inherits that risk and danger that everyone knows of, but we have to continue to make a fast and safer car. Safety has always been one of our foremost goals of our series. I think there have been some great things that we have done but there is plenty of more things of which I think we can work on.”

As for Michaelian, racing with one eye is not an impairment for him or a safety concern, he says. The sanctioning bodies agree, so he'll continue to race as long as he turns in good times for his team, or when his two sons tell him to call it quits.

“If you ever even think about the danger, why would you get in the car? You either get in, or you get out. There is no in between,” Michaelian says.

“I want to succeed in every way possible. There really isn't any other alternative,” he says.

Jim Michaelian has been a victor by conquering every obstacle in all facets of life, but a small one still remains. His first ever trip as a driver to Victory Lane. ■