

NTT INDYCAR SERIES

News Conference

Thursday, November 14, 2024

Mark Miles

John Michaelian

Press Conference



THE MODERATOR: The official announcement made earlier today as Penske Entertainment acquires the Grand Prix Association of Long Beach and, of course, the Acura Grand Prix of Long Beach, the longest running major street circuit race in North America.

Certainly goes without saying, it comes ahead of a major milestone for the event. Next April marks the 50th edition of the Acura Grand Prix of Long Beach with a return to network television thanks to INDYCAR's new series partnership with Fox.

Joining us today, Mark Miles, the president and CEO of Penske Entertainment Corp., and Jim Michaelian, the long time president and CEO of the Acura Grand Prix of Long Beach. Thanks to you both.

Mark, let's start with you. Really a question for both of you. Such great and rich history racing at Long Beach. What does today's announcement mean for the future of it?

MARK MILES: Well, I think it's a red letter day. It's very important to the sustaining of this iconic event. I've been there 13 times in 13 years, and I am so much junior to Jim Michaelian that I'm in awe of his tenure and leadership.

The event is in great shape. It works as a business. It works as a sporting event. We think with the Indianapolis Motor Speedway and Indy 500, they are the iconic events really on the INDYCAR SERIES calendar.

This allows us to be stewards for many, many years to come, ensuring its ongoing position and growth. It's part, maybe we can talk about it later, of a series of announcements that we're working on that I think are going to be part of our rapid increase in our growth.

So we couldn't be more pleased and looking forward to working with Jim.

THE MODERATOR: Jim, your thoughts?

JIM MICHAELIAN: Thanks, Dave.

On behalf of all of us at the Association, welcome to what is a very momentous day in the history of our organization as we look forward to engaging in our 50th anniversary here next April.

Our staff is really excited about this development because they realize all the advantages that can accrue from the integration of what we have in store as well as what Penske Entertainment can provide.

This is a very promising aspect in terms of where our future is headed. One of the reasons that we look to have a very seamless integration here is because there's a lot of common characteristics of the Penske Entertainment, Penske Corp., and Grand Prix Association, when you think about it.

We all strive for excellence. Roger is well known for that. It was on display here with Penske Motorsports, if you saw their progress through the year and what happened at Phoenix last Sunday. They certainly have defined the term of 'excellence'.

And we have too. We've worked very hard at trying to make this event something that stands out in people's minds and something that's aspirational in terms of their wanting to be involved with it.

As Dave mentioned, we've been doing this event for 49 years. Longest running speed race in America. There's a reason why we've had that kind of tenure and that kind of longevity, is because our fans have come to expect a high degree of excellence here at our event. And we look forward to working with Bud Denker and the group over at Penske Entertainment in terms of providing and even exceeding that standard in the future.

The other thing that's really important to us is we have the experienced staff. To us that's really important. I know that in Roger's domain it's a very similar kind of a situation.

There's nothing that replaces that reservoir of experience that individuals have when they've come and worked on an



event for a number of years, and if you want to know in terms of our staff here, we have a tenure here of a little over 22 years in terms of their involvement with this series. That's virtually unheard of in today's modern corporate structure.

We're very proud of that. Our people come; they stay. They enjoy what they do. But more importantly, they enjoy satisfying the needs of our customers. That's really critical to us in terms of making sure that this event has a longevity in terms of where we're going into the future.

I think the last thing that's common too is customer service. Number one priority in everything we review and everything we institute so to make sure it has a positive impact on our customers going forward.

That's been our theme here over the last 49 years, and I know that it also applies to the Penske company and their philosophy and their approach too.

We like to make sure that our customers that come back year after year after year and have an experience that exceeds the previous year and, more importantly, they can look forward to what they're going to be able to experience as they go forward into the future.

So we're really excited about this. We think this is a momentous occasion in terms of our event and where we're going to go into the future.

Before I close, let me say that I would be remiss if I didn't at least acknowledge the contribution of our previous owners here, Jerry Forsythe and the late Kevin Kalkhoven. They were with us for 19 years since they bought us back in 2005.

We went through a recession, we went through a pandemic, and we survived and thrived coming out of that. Much of the credit of that goes to those two gentlemen and their contributions.

I want to acknowledge what they've done in order to put us in the position now where we can take advantage of the strength that we have and now combine it with what Penske Entertainment has to offer.

So this is a new era for us, new dawn. We're excited. Looking into the future this guarantees us that this event is going to continue to grow as well as obviously the INDYCAR SERIES well into the future, and we're going to be able to accompany that as we go down the road.

So thank you, and I'll be glad to answer any questions you have.

THE MODERATOR: Yeah, Jim, well said. Before we get to that, Mark, you alluded to it. Maybe just a quick follow up. This is a part of the very ambitious INDYCAR growth agenda during what we'll call non racing season as that momentum continues. Just talk about that maybe a little bit.

MARK MILES: Well, there are a number of key elements of the strategy going forward. I think you said it teeing up this discussion that Fox and the reach in the United States are foundational to that new strategy.

We just got briefed in on plans. They're thinking about the market and promotion of the series earlier this week. Just off the charts ideas. Not only their natural reach, the extent to which as a free to air broadcaster, they're in so many homes, but their ambitions for helping us grow the series are phenomenal. That's key.

In terms of our events there are a number of things I think we've talked about before. We want to be focused on growing our events, the events that we have. This is evidence of that. We want to be opportunistic. So if it makes sense for us to invest in events, we'll do that. This is certainly a prime example of that for the reasons that have been articulated already.

We're increasingly involved on a selected basis in promoting, not just investing and owning some of our own events. Our work with Hy Vee in Iowa and the work with the State Fair Board in Milwaukee are examples of that. A more creative example of that is the announced joint venture with the Cowboys and the Rangers in Arlington.

We're going to break out of our old mold and position ourselves to help our events grow more quickly and to be prepared to make investments towards that end.

We're working on other events, so time will tell when we can roll some out. I think they're going to be exciting. They're going to be new and urban and powerful for the ability they give INDYCAR to reach new fans and new geography for us.

We're working on a new car. There will be much more about that as time goes on in the next several months, but I think that's going to be another important part of the growth strategy that we're eager to talk about at the right time.

THE MODERATOR: With that, we'll go ahead and open it up for questions.

Q. My question is actually for Jim. You know, I know Roger was working on this deal for a long time, much



of the year if not longer, and then when Gary brought out the Kalkhoven stakes in the race, all of a sudden there became all this talk about NASCAR was interested in the race, Liberty and F1 were interested in the race, and this race is very much an INDYCAR race for the last, I don't know, several decades. How much truth to that was there that other series were interested? Roger's acquisition today, does it lock it down as an INDYCAR event?

JIM MICHAELIAN: Go back and remember that when Forsythe, when Jerry bought Kevin's share, the half share, he made it very clear that one of the reasons he was purchasing that and not letting it go out for public sale was he wanted to emphasize the fact that this was going to be an INDYCAR race. If you remember that, that quote was in the release at the time, and that was his intent. From then on, quite frankly, that's been the direction that we have been looking at as a company going forward.

So, yeah, there have been rumors, which is natural for a situation like this, but there never has been a concrete proposal to run either another event here or one in conjunction with this event into the future. Now, obviously with the Penske Entertainment buying this event, that solidifies it for sure.

Q. In your mind does it solidify the health and future of this race for a long time to come?

JIM MICHAELIAN: Oh, absolutely. Absolutely. When you have two entities like we have here with Penske Entertainment and the Grand Prix Association combining efforts and looking to see how they can integrate their activities so they take advantage of all the assets that we have available to us, there's no doubt in my mind that the end result of this will be something that's going to be much more positive than we currently have.

Again, in light of the fact that we're already in the planning stages for our 50th anniversary here, people can look forward to coming out and having a truly memorable experience here next April.

Q. This is for Mr. Miles. Mark, ten days ago was the fifth anniversary of Roger buying the Indianapolis Motor Speedway. That was really an earth shaking announcement. This one is very important from a strategic sense because the Long Beach Grand Prix is North America's biggest street race. So how do you put that in perspective that Roger bought the biggest race in the world, and now he has the biggest street race in North America?

MARK MILES: Yeah, I think you sort of answered your

own question, but we see it as very important. This event in my mind is synonymous with the INDYCAR SERIES, 'this event' being the Acura Grand Prix of Long Beach.

That history is one of those things that the Grand Prix has in common with what we do at the Indy 500, the Indianapolis Motor Speedway. So knowing that those two iconic events will be part of Penske Entertainment for the long haul I think is really, really an important foundation for the future and the future growth of the series.

Again, Roger doesn't acquire an enterprise I think unless he has a lot of confidence in its future. That starts with the team that's there running it today. Jim and his team have proven themselves over all these years.

Our role right now is to appreciate Jim's planning for celebrating the 50th anniversary, which is huge. What a great opportunity. I think, Jim, you may agree, it's kind of like celebrating the 100th running of the Indy 500. That was a big deal for us and a chance to propel to a whole other level that I know you'll follow the same approach for the Grand Prix.

We want to be here to assist with that in the short term and the long term to make investments and be great stewards of the future growth of the event.

JIM MICHAELIAN: Mark, one thing is there will only be one 50th anniversary of the Acura Grand Prix of Long Beach. If I remember right, Indy had a number of different celebrations highlighting their 100th anniversary of something. But anyway, there will only be one here. It will be in 2025.

MARK MILES: Perfect.

Q. Mr. Michaelian will be directly involved with Roger Penske and with Mark Miles and with INDYCAR and to have those assets working for you, and they can learn a lot from how you have promoted also your events because you're very successful. How important is that?

JIM MICHAELIAN: What we're looking at here is the amalgamation of two very successful organizations. We bring certain assets. They bring certain assets. We would be foolish if we didn't take advantage of the opportunity to integrate those together. And the end result will be even something more substantial than we currently have available to us. There's no end to the possibilities.

What I'm indicating here is that we are more than receptive to having these conversations going forward. And, quite frankly, Bud Denker has been in our office here the last



day or so, and we have already started just very rudimentary concepts about how we can take advantage of what they have to offer and in some cases maybe vice versa.

Q. Mark, is there any sort of economies of scale? You have Detroit and Arlington and Long Beach as far as things you can move around. Is there a benefit to owning more than one kind of temporary street race?

MARK MILES: That's a really good question, and one we're just scratching the surface and answering. We believe the answer will be yes. If we can find synergies while not in any way distracting or interrupting the work of the Grand Prix team there under Jim, then great.

I mean, who knows? You can't move block around, but you can move fence. Maybe it could be used for an INDYCAR street race at another time of year. We have some shared services functions at the Penske Entertainment Group that maybe can help, but the first thing is just to not be in the way and to help Jim facilitate his plans for the 50th anniversary there and to over time look at ways that we can learn from the Grand Prix and vice versa.

One of the things that was kind of mentioned, but I want to emphasize for maybe it's also for Bruce, is the emphasis that was mentioned on customer experience. You've heard that time and time again as kind of the true north for Roger's investment at the Indianapolis Motor Speedway and the way those events are run.

Jim has said that for as long as I've known him about the guiding light for the Grand Prix organization and taking care of their fans. As a result both these events have been around a long time. We will learn from each other about things that Jim's team is doing that we may be missing and maybe there's a chance to share some of the Indy approaches.

Q. Jim addressed this a little bit, but obviously NASCAR is looking for a place in Southern California to race. I assume they'll be knocking on your door if they haven't at some point just asking is there any sort of possibility of either a joint event or an additional event. Would you even entertain those conversations, or is that a nonstarter?

JIM MICHAELIAN: I don't want to get into any speculation about that. But let me make something very clear. As it currently stands, our agreement with the city, which, by the way, runs through 2028, limits us, the Grand Prix Association of Long Beach, to running one three day race weekend a year, period. That's it. There's no extensions.

There's no additional days. There's nothing else incorporated in that agreement. So right now that defines what we're going to be doing here in '25, '26, '27, and '28.

Q. I guess the question for Mark on both these accounts, I guess what kind of activation for hospitality, fan experience, things of that sort can kind of be expected with this because obviously you all have done a lot of things with the Milwaukee Mile, with Detroit, et cetera?

MARK MILES: I don't think we're ready to make any announcements along those lines. I'm dead serious. Jim has the 50th anniversary of this iconic event right in front of him. He's going to knock that out of the park, and we don't need to be trying to make changes to a well oiled machine in this time frame.

As we all get time to get through that and learn from each other, we'll see what comes out of that. But our focus is on continuity and a wildly successful 50th anniversary.

Q. I guess to follow up, from a long term perspective is this a scenario where this event can obviously it's going to stay as a three day weekend, for one weekend a year, but can we see a scenario where INDY NXT gets involved? Is IMSA still locked up as a partnership with INDYCAR for that weekend for the long term?

MARK MILES: Well, Jim will make those decisions about the other series that are there. My understanding is IMSA has been there, and even we at IMS work with IMSA, so there's a great underpinning relationship between us and them and I know Jim and them. So he can speak to that as well as any other changes that might get made.

Again, I don't see anything like that happening because of this arrangement for 2025. The die is cast with the plan that Jim has and is continuing to work on, and anything else would be after that.

Q. I'm not sure who this question is directed to, but I'm looking at the local impact on Long Beach. In the promo video there was mention of a new (indiscernible) and plans to invest in the race. Are there examples of local investments in Long Beach that you can provide right now?

JIM MICHAELIAN: I'll take that one off the top. That was referenced to what the future holds. We're not in the position today to make any definitive announcements with regard to investment, but as a part of this whole initiative, continue to advance the customer experience here. There's no end to the opportunities that might arise in terms of certain developments that take place within the

context of race weekend or even in advance of that that's not racing activity.

So it doesn't certainly preclude us from including some other activities. As you know, we've put in Thunder Thursdays, which is a huge community event here in Long Beach and attracts 12,000 people on a Thursday night to come out and watch pit stop competitions and freestyle motocross, and there's a car show and music. That's all free.

That was added because we wanted to make sure that the event identified with the clientele and the customers here in this market. We wanted to do it on a basis that was affordable and the opportunity for people to come to the event that might not have the chance to come to the race. So there's no end of opportunities that might arise as we begin to advance into the future.

Let me just say that as of right now we've been on public sale here for literally five days and along with our advance. And I'm happy to say even before this announcement came out we're running about 13 1/2, almost 14 percent ahead of where we were last year.

I have to believe that there's a certain high level of satisfaction with regard to the program we've put together. But it's constantly being reviewed because, again, what we want to do is we want to make sure that we listen to our customers in terms of how we align their interests with what we provide them week in and week out.

Q. Long Beach's contract is set to expire in 2028. Are there plans to extend it on the new management or potentially draw up something new that could bring more than just the three day weekend event?

JIM MICHAELIAN: We haven't had that discussion yet. Obviously, John, as you well know 2028 is a very significant year in Long Beach. They're going to be hosting seven or eight now Olympic events here, so that's a very dynamic time.

We will obviously be going back to the city and talking about what opportunities there are for extending our agreement, but I think it's a little premature to be talking about that right now.

Q. This question is for Mark kind of following up on Bob's question a little bit. From your perspective, Mark, is the Long Beach weekend something you guys would be open to potentially sharing with NASCAR? We know that another Penske property at IMS has had the Super Weekend, and we know about Roger and Jim France have the relationship. Plus, IMSA is a

NASCAR owned property, so there's that relationship as well. Is this something that potentially could be facilitated there?

MARK MILES: Well, Jim is on point for this, and he answered the question directly by saying what's in the current agreement with the city, which seems like a pretty specific prescription on point, to your question.

Over time, who knows? We look to partner, and we're open to ways to make our great events greater. So I don't know, but it's really not on anybody's radar for now.

Q. My question is for Mr. Miles. We are from Brazil, and Latin American people are also very interested in INDYCAR. Can the Long Beach Grand Prix, Mr. Miles, now with the leadership of Penske Entertainment and from the Mexican public contribute to the arrival of an INDYCAR race in Mexico? And with the popular position of INDYCAR among the Latin public, can we have some hope in South America?

MARK MILES: Well, we wouldn't want you to be without hope. We care a lot about the fan base, which I think is substantial in Latin America from Mexico, Brazil, and elsewhere.

We've never stopped looking for opportunities that make sense for us to pursue that. We've talked recently about our interest in exploring possibilities in Mexico City or in Mexico, and that's top of mind, I promise you.

Whether we can find a way to be racing more broadly in other places remains to be seen, but I would like to believe... Look, we're not racing in Brazil or Argentina or other places in South America at the moment, but we haven't forgotten those fans.

I think the job that Willy and Carlo and others are doing in social media is some evidence of that. We can always do more, but time will tell what the next opportunities are.

Q. Mine is not a follow up. It's a suggestion to Mark Miles since he wants to leave all the 50th anniversary planning in Jim's hands. If maybe you could squeeze a couple of more King Taco trucks out of him throughout the grounds, that would be really great for the 50th.

MARK MILES: It seems like you picked a good forum to make the suggestion. I saw him taking a note.

JIM MICHAELIAN: Jenna, I don't know how many we would have to bring in here. Those lines would still be just as long as they've been. We're very thankful for the fact

that our fans still appreciate what King Taco has to provide and, quite frankly, so do they.

It will be a standard here I can tell you for our long term contract with them for many years to come.

THE MODERATOR: We'll leave it there for now. Congratulations. Can't wait obviously for the 50th Acura Grand Prix of Long Beach, Sunday April 13th and live on Fox as well. Thank you both.

JIM MICHAELIAN: Thanks, Dave. And we're certainly looking forward to having a great weekend here in April.

MARK MILES: Thank you.

FastScripts by ASAP Sports