Basic Details

Project name:

xToken Terminal

Author name and contact info (please provide a reliable point of contact for the project.):

Ben Jennings; Discord: bj#8888

L2 recipient address:

0x38138586AedB29B436eAB16105b09c317F5a79dd

Which Voting Cycle are you applying for?:

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I confirm that I have read the landing pages for the Builders 29 and Growth Experiments 32 Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Growth Experiments Sub-Committee:

Yes

I understand that Growth Experiments grants are subject to a "no sale rule," as explained in this post, and I have read the terms of the rule:

Yes

Project Details

What are you building?:

xToken Terminal gives DeFi and NFT projects seamless and permissionless access to financial primitives, without writing a single line of code. Our flexible contract architecture and intuitive interface enable projects to be their own CFOs and investment bankers, in just a few clicks.

Why do you believe what you are building is going to succeed?:

We've already seen strong product market fit, with TVL as high as $8m, >1000 unique users, and more than a dozen project partners – across mainnet, Arbitrum, Polygon, and Optimism.

How many users does your project have currently? Please include how you arrived at this estimate

: Over 1000 unique depositors across several dozen pools, with a current TVL over $4.7M and peak TVL around $8m.

How will receiving a grant enable you to further the mission of maximizing the number of users interacting with Optimism? Please include a step-by-step flow of how you imagine this grant can lead to a greater number of user interactions with Optimism:

The following is a proposal by xToken Terminal to continue the distribution of OP incentives to liquidity providers (LPs) on Uniswap V3. This is a continuation of our current program approved in July 2022, which is issuing 300,000 OP tokens to a diverse set of LPs on Optimism. The program expires on March 21.

The xToken OP program has varied in size across 6 months so a precise number is difficult to calculate, but it has accounted for ~20% of liquidity in the primary OP-WETH pool on Optimism's Uniswap V3 deployment.

Terminal's out-of-the-box solution allows projects to deploy a highly configurable Uni V3 liquidity mining (LM) program in a matter of minutes, no dev work or technical expertise required. Terminal is live on Ethereum mainnet, Optimism, Arbitrum and Polygon.

The OP token is live and thriving, with Optimism still the only leading ETH scaling solution with a liquid token. The OP token – which serves a focal role in the governance of the network – has generated significant investor interest and providing a stable foundation of liquidity for the token has proven to be essential.

While the token is trading on multiple CEXes, most DEX liquidity looks to be bootstrapped by independent actors and perhaps professional market makers. This is an undesirable state of affairs for a token, project and community with a commitment to transparency, decentralization and permissionlessness. To that end, we believe that OP should continue its liquidity mining program.

Tell us about the users you plan to target with this grant. Include any defining characteristics that will help you identify and target them.: The Terminal program has accounted for ~20% of liquidity in the primary OP-WETH pool on Optimism's Uniswap V3 deployment. This includes a diverse set of users and provides a user-friendly interface for full range OP liquidity incentives, offering the simplest and most intuitive LM option for LPs and ensuring adequate depth of liquidity for OP on

Uniswap V3. xToken's full-range approach results in low impermanent loss and execution risk for a simple and easy liquidity mining experience.

How would these users interact with Optimism? For how long?:

The users provide liquidity to the WETH<>OP 0.3% fee tier pool. Liquidity in this pair is most critical to the success of the Optimism token so we feel a full allocation is the best way to ensure adequate and sustained depth.

Provide us with links to any of the following for the project:

- Demo:

- Website: https://xtokenterminal.io/

- Twitter: https://twitter.com/xtokenterminal

- Discord/Discourse/Community: xToken

- Github: GitHub - xtokenmarket/terminal-mining: The Terminal Mining Contracts

- Technical/Economic Documentation: https://docs.xtokenterminal.io/

- Other:

Do you have any metrics on the project currently? (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

- xToken: $4.7M USD in TVL (Defi Llama)

- OP pools total TVL: Range from $1m to $3m over the program, and ~$2.7m as of March 15, 2023

- Over 1000 unique depositors

On the OP-WETH pool specifically, across the program's duration:

- Cumulative 2,100 in WETH deposits

- Cumulative 2.3m in OP deposits

- Total 30 WETH in fees generated for LPs

- Total 27k OP in fees generated for LPs

- Over $100,000 in fees compounded and returned to LPs, calculated at current market prices

Who are your competitors, and are they on Optimism?:

During the last round of incentives, we partnered with two other protocols with liquidity mining as-a-service capabilities, Gamma Strategies and UniV3 Staker. We are differentiated in that we provide a user-friendly interface for full range OP liquidity incentives, offering a passive option with lower IL and execution risk for community members who want a simpler LM experience.

Please link to code audits (if any):

terminal-mining/audits at master · xtokenmarket/terminal-mining · GitHub

Team

Who are your founders?:

Michael Cohen

What makes your team well-suited to carry out the project described in this proposal?

xToken has been established in the space for over two years. We've already completed a successful initial round of OP incentives.

Grant Request

What is the size of the grant request? (250k OP max):

150,000

How do you justify the size of the grant?:

This allocation is roughly half of the token amount allocated to xToken for the LM program ending March 21. The Terminal pool has accounted for ~20% of liquidity in the primary OP-WETH pool on Optimism's Uniswap V3 deployment.

Roadmap and Distribution Plan

Describe in discrete steps how you will successfully implement your grant plan

: The WETH<>OP 0.3% fee tier pool is already live on xToken Terminal. We would simply top off the rewards in order to extend the program.

How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving. Distribution should not include the sale of any tokens by the grantee or the use of tokens for compensation, protocol expenses, etc. See the [no sale rule here 3](#)):

We propose an allocation of 150,000 OP tokens for liquidity incentives, distributed solely to liquidity providers on Terminal over a period of ~6 months.

We believe that incentives should continue to be paid out on Optimism via the WETH<>OP 0.3% fee tier pool. Liquidity in this pair is most critical to the success of the Optimism token so we feel a full allocation is the best way to ensure adequate and sustained depth.

Over what period of time will the tokens be distributed for each initiative?:

150,000 OP tokens distributed to OP-WETH LPs linearly over a period of 26 weeks.

Please provide benchmark milestones for this project. These milestones should guide the Optimism community on the progress of your project throughout your work on the project. Do not use distribution of the grant itself as a milestone:

We have the prior program's metrics as a benchmark:

- Cumulative 2,100 in WETH deposits

- Cumulative 2.3m in OP deposits

- Total 30 WETH in fees generated for LPs

- Total 27k OP in fees generated for LPs

Please define critical milestones for this project. Critical milestones are meant to show good-faith efforts to accomplish the project. Non-completion of these milestones could lead to revocation of remaining grant rewards. Do not use distribution of the grant itself as a milestone:

Since the pool is already deployed, all we need to do is extend the rewards duration, add the additional rewards, and inform users that the program will continue.

If the OP tokens are for direct distribution to users, why will incentivized users and liquidity on Optimism remain after incentives dry up?:

With a 26 week campaign, we'll be able to continue to attract long-term users and capital from ETH mainnet and other chains. We believe that the user experience and emerging opportunities on the Optimism network will be enough to retain the majority of users after the incentives program ends. As we mentioned above, Optimism is uniquely positioned to obtain and sustain LP capital with its native token being first to market of the major L2s.

Optimism Relationship

Does your project solve a problem for the Optimism ecosystem? If so how?:

While the token is trading on multiple CEXes, most DEX liquidity looks to be bootstrapped by independent actors and perhaps professional market makers. This is an undesirable state of affairs for a token, project and community with a commitment to transparency, decentralization and permissionlessness. To that end, we believe that OP should continue its liquidity mining program.

Why will this solution be a source of growth for the Optimism ecosystem?:

The OP token is live and thriving, with Optimism still the only leading ETH scaling solution with a liquid token. The OP token – which serves a focal role in the governance of the network – has generated significant investor interest and providing a stable foundation of liquidity for the token has proven to be essential.

Is your project Optimism Native?:

xToken Terminal is also deployed on mainnet, Arbitrum, and Polygon.

Confirmations

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#):

Yes