

Project name

:

Relay Chain

Author name and contact info

: Kris Tucker

I understand

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

: Yes

L2 recipient address

: 0xF4997d641DbB320EF0B273CE353371AA08b5D96b

Which Voting Cycle are you applying for?

: voting cycle #7

Grant category

: Bridge/Bridge Aggregator/Liquidity

Is this proposal applicable to a specific committee

? Any applicable defi committee, but, most specifically DeFi committee A and C. @Nono

and [@katie](#)

PROJECT DESCRIPTION

:

Optimism alignment

With a preexisting bridge to Optimism, and soon serving as a bridge aggregator, Relay Chain creates a fun and easy to use bridging experience. Relay's Bridging as a Service model aims to serve as a "one stop shop" which is fast, simple and secure. The Bridge is capable of transferring tokens with two mechanisms: liquidity bridging and mint/burn functions.

Having bridged over \$1B in total value, and soon to serve as a bridge aggregator, Relay Chain provides the greater Optimism ecosystem with a simple, user-friendly mechanism to explore and participate in an ever-growing network of blockchain ecosystems. Relay Chain's version 2 stands out from the crowd by offering enhanced security protocols, a streamlined interface, and a focus on fun user engagement (e.g. Relay Chain's upcoming mini-game and contests).

The Relay team recently committed to completely reconstructing the bridge in version 2.0, making major refinements on the first bridge, after two years of successful operation, and having witnessed competing bridges struggle with ongoing security challenges. The team has pivoted from a product that relies heavily on smart contracts to one that operates on "simple sends" and "listeners", dramatically reducing user risk and exposure.

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Process

829×463 293 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/5/574cd0fb28da5066221a1f2630577e8e20c01775.png)

VISION

Relay Chain's has positioned itself to become the L2 superhighway, providing an all-encompassing solution for users to explore the destination chain of their choice. Currently, Relay Chain is utilizing a grant provided by the Metis Foundation to incentivize liquidity between Optimism, Arbitrum, and Metis. Relay Chain will use the grant provided by Optimism to expand the tokens and chains that the Relay bridge unites, with a long-term goal to seamlessly connect all Ethereum Layer 2 smart contract platforms. With the updates made in our bridge version 2.0, Relay has a product that can connect to any EVM and non-EVM ecosystem (introducing a remarkable opportunity to bring in TVL from the likes of Solana, Algorand, Cosmos, among others, into Optimism).

Project links

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Website

: <https://www.relaychain.com/>

Twitter

: https://twitter.com/relay_chain

Discord/Discourse/Community

: [Discord](#)

Please include all other relevant links below

:

cdn.discordapp.com

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](https://cdn.discordapp.com/attachments/946483464818016326/1026939206779539608/veRELAY_Staking.pdf)

[**veRELAY_Staking.pdf**](#)

658.50 KB

Additional team member info

:

Kris Tucker (Biz Dev): <https://www.linkedin.com/in/krismtucker/>

Geoff Shearer (Marketing): <https://www.linkedin.com/in/geoffreyshearer/>

Anthony O. (Engineering)

Christian (Product)

Ed (CEO)

T (CTO)

Fernando (marketing)

Rankbrain (SEO)

Waggle (Community)

Rico (Biz Dev)

Please link to any previous projects the team has meaningfully contributed to

:

Relay Chain was the first bridge into the Avalanche ecosystem, and has since served as a Bridging as a Service to many blockchain partners, often operating as the sole bridging solution for said partners. Before founding Relay, the team supported the Zero project, a popular swap protocol, addressing the market's need to resolve DeFi deserts with a low-cost, high-speed, ultra-secure bridge for both institutional and retail end-users.

The Relay team decided to completely reconstruct the bridge in version 2.0, having learned many valuable lessons since the first bridge was built two years ago, and having witnessed competing bridges struggle with ongoing security challenges. The team has pivoted from a product that relies heavily on smart contracts to one that operates on "simple sends" and "listeners" on a side chain, dramatically reducing user risk and exposure.

Relay's Bridging as a Service model holds liquidity on connected platforms, aiming to serve as a "one stop shop" which is fast, simple and secure. The Bridge is capable of transferring tokens with two mechanisms: liquidity bridging and mint/burn functions.

Relevant usage metrics

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- Total Value Bridged to Present: \$1B+ (v1 + v2)
- Circulating Supply: 4.2M
- TVL: \$7.39M (v1 +v2)
- Market Cap: \$1.5M
- Community: 24.3k
- MoM Twitter Impressions: 49.4k, 59%+
- MoM Twitter Profile Visits: 49.1k, 81%+
- MoM Mentions: 442, 91.3%+
- Avg Tweet Engagement: 7.4%

Competitors, peers, or similar projects

:

Project: Multichain - The largest bridge, by many metrics:

Differentiator: User Experience

Relay's new UI offers a simple user experience, for example, a intuitive selection menu and automated chain/token adds, showing real-time progress, and a detailed history tab. These UI upgrades set the foundation for a truly interactive experience, and will remain in place as the upcoming aggregator is launched. The project is actively developing integrated live social analytics into the UI, and designing a mini-game, which users can play while waiting for bridge transactions to finalize, further distinguishing Relay Chain from the crowd.

Project: Smart Contract Bridges - Stargate, Synapse, Wormhole, Multichain, Celer

Differentiator: Security

By simplifying the bridging mechanism, Relay Chain created a hybrid model with a true web2 bridge, paired with liquidity provider smart contracts. This not only improves speed and lowers cost, but also dramatically reduces the risk inherent in traditional 'smart contract heavy' bridging operations. The bridge shares similarities to the official Avalanche bridge, and has been audited by TevPro — a major US based technology and solidity consulting company.

Is/will this project be open sourced

? Yes/No/In Future

Yes, via Github: [RelayChain · GitHub](#)

Optimism native

?

No

Date of deployment/expected deployment on Optimism

:

Tokens will begin to release immediately, to serve as a catalyst for holder engagement into and within the Optimism ecosystem.

ECOSYSTEM VALUE PROPOSITION

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What is the problem statement this proposal hopes to solve for the Optimism ecosystem? How does your proposal offer a value proposition solving the above problem? Why will this solution be a source of growth for the Optimism ecosystem?

To grow and thrive, Optimism needs a continuous influx of users, holders and partnerships. By offering Bridging as a Service to your/our community, Optimism immediately becomes an attractive and accessible token platform for new and existing users, as they will now have a low-cost bridging option that is secure, fun, fast and extremely user friendly. Relay's focus on the ease of our user's experience is key, as this rapidly evolving space is passing a new threshold in web 3, where

new, less experienced users are beginning to explore crypto. The platform that can provide a straightforward and simplified user experience, reducing the anxiety and risk often felt in this space, will have massive advantages over competitors, and serve as a new user onramp for their partner's communities and platforms. With help from the Optimism community, alongside our other blockchain partners, Relay Chain has become that trusted bridging platform.

Has your project previously applied for an OP grant

?

No

How much will your project match in co-incentives?

Relay Chain will provide a matching 25% of the transaction revenue captured on Optimism, and 1% of RELAY token circulating supply, to incentivize liquidity providers.

PROPOSAL FOR TOKEN DISTRIBUTION

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How will the OP tokens be distributed?

The primary focus for grant funds will be incentivizing liquidity providers to create a seamless entry and exit into the Optimism ecosystem for 6 months. Sustainable bridge "robustness" will be achieved when each token pairing, per chain, reaches \$2M - 3M. The secondary focus will be to use the funds to drive ecosystem growth through social contests and bridge competitions.

INCENTIVIZING LIQUIDITY PROVIDERS

Tokens Incentivized: USDT, USDC, ETH

Liquidity Depth Target

: \$2-3m per chain and token pairing.

Month 1: 108,000 OP

Month 2-4: 242,000 OP

Month 5-6: 100,000 OP

Notes:

- Rewards will be live-monitored and adjusted until target liquidity depth is achieved.
- If liquidity depth is attained with fewer OP than outlined herein, the remaining OP will be used to extend the duration of reward dispersals.
- Dual rewards will be used, as needed, to support months 5-6, using bridge fees generated (and reserved) during months 1-4, building deeper liquidity and further building out bridge functionality.
- Relay Chain acts as a liquidity router, so there will be no need for Relay to create its own wrapped assets.

BRIDGE CONTESTS/PROMOTIONS

212,000 in OP

will be reserved for bridge competitions and promotions focused on increasing new user traffic, volume and TVL.

Contest/Promotion 1

- Explore Optimism for a chance to win 1,000 in OP

Timeframe: This promotion will run twice each month for 12 months.

Description: Any bridge transaction inbound to Optimism is automatically qualified to win up to 1000 OP per 2wk

contest period. Each inbound bridge tx grants 1 drawing entry, and 1 OP

is added to the prize pool for said period. (12mo x 2,000 = 24,000 total OP

)

Contest 2/Promotion

- Refer a Friend to Win a share of 108,000 OP

Timeframe: Promotion will run until all OP in the specified pool is claimed

Description: Any inbound transaction on the Relay Chain bridge, tracked by a unique referral link, earns 10 OP tokens, split evenly between the referring wallet and the new user. (all OP is claimable via a unique claims portal on the Relaychain app.)

Contest 3/Promotion

- Generate Compelling Social Content for a chance to win 5,000 in OP

(please see note at end for further detail)

Timeframe: This promotion will run once each month for 6 months.

Description: Users are asked to generate a relevant twitter space, video, tweet, or other engaging social content with unique UTM tracking. The content with the highest number of combined conversions and clickthroughs will win the entire designated pool

. (5,000 x 6mo = 30,000 OP)

Partnership Programs

:

We are pursuing partnerships that boost the adoption and use of Optimism. Our goal with these programs will be to support specific calls to action on projects within the ecosystem. So, we not only encourage people to transfer funds into Optimism, but to start using a product once there.

First Partnership Program

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Dual Rewards: OP/VELO

Timeline: 2 months

We will use 50k OP

to acquire VELO, which will be used to reward USDC, USDT, and ETH liquidity deposits. The Relay team will build a professional quality tutorial video, showing how to bridge into Optimism, and then use the VELO token's 'Vest' or veVELO mechanism.

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

The current goal is to provide incentives for six months, after which point, the system will be completely self-sustaining, via bridge revenue.

Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism.

Unlike an untested or complex proposal, the straightforward ask of this incentive proposal, that of providing initial liquidity to support a preexisting bridge, requires no complex KPIs to measure success. The tokens are held in the ecosystem until used, and, when used, retain net value. The added liquidity serves as a catalyst, bringing Optimism token holdings past a critical threshold, which increases the capacity, depth and utility of the service offered, while further building the Optimism community and project impact potential.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

As incentive tokens are used as a catalyst and springboard for bringing Optimism into our bridge network, and not "spent" in a traditional sense, they are simply used to start the "flywheel" of investment into the Optimism platform. They are exchanged for tokens of equal relative value, meaning that there is no risk of loss, as value is retained. As more of Relay Chain's users choose to bridge to Optimism, the liquidity pool will grow, inviting ever increasing investment into Optimism's ecosystem. This, in turn, kickstarts the liquidity incentives, which hereafter will be generated from bridge transaction fees.

Additionally, the Relay team has built a dual token distribution model for liquidity incentives, wherein the Relay token can be folded in seamlessly to supplement incentives.

Please provide any additional information that will facilitate accountability

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Animated Whitepaper (For Relay structure and bridge V1; V2 was just rolled out this month):

1. [Relay Animated White Paper \(BaaS\). Episode 1: DeFi, the problem... - YouTube](#)
2. [Relay Animated White Paper \(BaaS\). Episode 2: DeFi, Cross Chain and Arbitrage. - YouTube](#)
3. [Relay Animated White Paper \(Baas\), Episode 3, Relay at the centre of DeFi - YouTube](#)
4. [Relay Animated White Paper \(Baas\), Episode 4: Bridge revenue architecture - YouTube](#)
5. [Relay Animated White Paper \(Baas\), Episode 5: Bridge structure and security - YouTube](#)
6. [Relay Animated White Paper \(Baas\), Episode 6: Bridge tokenomics - YouTube](#)
7. [Relay Animated White Paper \(Baas\), Episode 7: Bridge revenue opportunity - YouTube](#)

Upcoming integrated game, which will introduce new users, from a completely different market, to Optimism. Fair warning! Optimism may be invited to send forth a champion/mascot and minions to battle other blockchains/tokens (our team will supply all art assets):

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](<https://www.youtube.com/watch?v=R91lt910Nig>)

Battle of the Blockchains initial partner reveal:

[

](<https://www.youtube.com/watch?v=KifqpvjihHI>)

Note: Generate Compelling Social Content

RelayChain respects the fine line between marketing and 'shilling' present in the DeFi and crypto markets. One of Relay's key differentiators is our commitment to content generation and brand building. Possessing a dedicated team of highly technical writers, working closely with a best-in-class design team, our content and SEO teams have generated industry-leading web and social content, which opens the door to DeFi, bridging, and ecosystem adoption as a key component of our acquisition funnel. As we've balanced strategic social media & content marketing, we've identified key influencers in Optimism and Relay who we believe can bolster support of the OP/RC partnership.

The promotion described in this proposal aims to encourage burgeoning influencers to provide technically sophisticated content within their audience, and reward them accordingly. The terms and conditions of this promotion have not been elucidated above, for the sake of brevity, but are intended to provide guidelines for compelling, non-'shilling' content generation, product review and new user acquisition. Furthermore, we will establish minimum requirements for entry, using follower counts and bot identification, with help from one of our partners.