

# Proposal Name: Replace Apecoin Only Staking Pool w/ OtherDeed Staking

## Proposal Category: Ecosystem Fund Allocation

### Abstract:

We seek to reallocate the 15mm in Apecoin staking year 2 and 7.5mm in Apecoin staking year 3 to an Otherdeeds Expanded staking pool that targets roughly ~69% APY (if 52,000 deeds are staked with 420 apecoin each).

### Author & Team Description

Feld is the founder of Boring Security, and long-time BAYC and crypto enthusiast. The implementation team of this project has not been identified.

### Motivation:

The Apecoin only pool provides no real value to the ecosystem, except for folks to earn more apecoin simply by having apecoin. While this doesn't sound like a huge deal, the side effects to the ecosystem are quite substantial creating huge downward price pressure for a few reasons:

#### 1) It allows short-sellers a “low-risk” trade.

Those who want to extract value from the ecosystem can set up a relatively risk free trade by buying Apecoin futures on OKX or elsewhere, and selling spot. Then, they can take a portion of the short sold amount, sell for fiat, and stake the rest. This allows them to be able to cover their shorts simply by waiting, or profit doubly when the price goes down from the short selling and the staking rewards.

#### 2) It is not synergistic with the ecosystem

BAYC/MAYC/BAKC staking makes sense. Apecoin and apes make sense. Apecoin was born out of the BAYC ecosystem. The otherside will be championed by Apes, no doubt. We do want to dream up ways on how to include other projects and encourage builders to use apecoin, but giving it away this way ain't it.

### Rationale:

Apecoin's value will largely come from the Otherside. Let's kickstart that by getting those lands rocking on some passive income. It would activate Otherdeed owners into the apecoin ecosystem, and start moving the DAO more towards activities that would be aligned with where most people believe the largest amount of value for Apecoin will be coming from going forward. There is also a possibility to retain staked coin after staking benefits end if revenue capture on Otherdeeds becomes a thing.

### Benefit to ApeCoin Ecosystem

We need Otherdeed holders to join the conversation when it comes to the Apecoin DAO. I've seen lots of proposals come to the table about increasing participation. But let's increase participation to what I believe will be one of the most important groups of the ecosystem who currently has no incentive to participate. This also eliminates the the ApeCoin only staking pool which in Year 2 and with current staking rates, will be a pathetic 10% APY or less anyway.

### Key Terms:

#### Futures

- Futures are a type of derivative contract agreement to buy or sell a specific commodity asset or security at a set future date for a set price

# Specifications:

We would likely be forking or creating a similar model to the existing contract, and having it be hosted on the website with the existing staking contract. No new technologies would be introduced. Although we will be talking to vendors about the possibility of making it so apecoin isn't sold with the deed when it is sold, though the discontinuity might be confusion, and I reckon we'd potentially need a separate vote to make sure that was a feature we'd want to add (or have that bit be specced out as a part of this Idea/Draft process).

## Steps to Implement:

Work with Horizen to Get Rid of the Apecoin-Only Staking Pool: and replace it with the Otherdeed Staking Pool starting in Year 2. We've already confirmed with them that this is possible. They have not confirmed they want to take on this project.

Owning land is about semi-passive income generation. This seems like a no-brainer. If we went with the amount: 420.69 per Otherdeed, and a 15,000,000 ApeCoin Allocation for Year 2 the APY on the Otherdeed staking pool would be about as follows:

- If somehow all future available 200,000 Otherdeeds staked: 18% APY
- If somehow all currently available 100,000 Otherdeeds staked: 35% APY
- If a modest 50,000 Otherdeeds staked: 71% APY
- If a projected 30,000 Otherdeeds staked: 119% APY

The reason why we're projecting that so few deeds will stake initially is because the although the cross-over between apecoin owners and Otherdeed owners is high, with [6.65 million apecoin in Otherdeed holders wallets](#) the majority of that is overlapping with BAYC/MAYC owners, thus a large portion of apecoin would need to be bought in order to fill these deeds. As noted: this proposal does not include the airdropping of any apecoin to Otherdeed owners, they would have to get the apecoin on the secondary in order to "fill up" their otherdeeds.

Note:

I've done some math on extra APY for a Koda-only staking pool, and it doesn't really add up, and they would have to be separated. Sorry fam, unless we voted away BAYC/MAYC amounts, which would mean this proposal would be DoA. So we aren't doing that with this proposal.

ApeCoin is about the Otherside. I believe ApeCoin's core use case will come from the Otherside. To pretend otherwise is to ignore reality. Preliminary numbers suggest a healthy memetic 420.69 apecoin per otherdeed would actually be roughly right on target with several metrics, including the one used to set the Apecoin staking numbers initially.

## Secondary AIPs that may/will be needed as a result of this:

1. We will definitely need another AIP to pay the implementer of this contract and then integrate it into apestake. We have some folks identified, but there isn't much point in putting a SoW (statement of work) in as part of this AIP, as we need to ensure the community actually wants this!
2. Potentially a second vote to change the way staking behavior works such that your apecoin doesn't follow the asset, but this may incur additional engineering costs. So I'm hoping folks can discuss this in Discourse and give their opinions, and maybe we can revise this AIP to include that spec.
3. Since many BAYC/MAYC/BAKC have been stacking their rewards in the ApeCoin-Only pool, we may want to consider an increase in the amount of ApeCoin allowed per BAYC/MAYC/BAKC by about 25% or so, some middle ground between the rewards they earned this year.
4. We may also want to create an AIP that puts a "Ways to Earn with Ape" from DeFi managed solutions like Gamma, Ribbon, Uni, to gaming, to staking with Bend/Paraspace, etc. This way, when this goes live in 2024, there isn't a huge token dumping event, and gives folks other outlets to leverage their \$ape.
5. We may be accused of having too Yuga-centric of a staking distribution. I would love to consider even taking a small % of the Apecoin only staking or some other pool of money for allocation to communities that have large apecoin holdings, such as Mocaverse and come up with a program which equates to "lock up x apecoin, your community gets rewarded y amount"

And of course whatever might be needed for website changes to the staking contract, info and others.

## Other Considerations:

We would need to decide on if we will support the old otherdeeds or not in which we'd have to either:

1. If we supported old otherdeeds contracts: Coordinate with Yuga to build in an "Otherdeed apecoin staking check" for those that want to decouple and folks would have to restake (Harder).
2. If we force folks to upgrade by only supporting the new Otherdeed contracts we'd have to put some modals on the staking site that redirects to the otherside contract (Easier)

I highly recommend we go with option 2. As it would allow a more simple architecture, and less coordination with Yuga, and incentivize the migration to the new contracts, which is what Yuga ultimately wants anyway.

## Timeline:

A statement of work will begin to be drafted as soon as this AIP passes (and we are already meeting with vendors), and hopefully folks would be able to start staking apecoin against their Otherdeeds in the new year.

## Overall Cost:

10,000 ApeCoin

Other than the 22.5mm apecoin being re-allocated, there would be a fee paid to actually develop and implement the contract.

This AIP is simply an approval of the intent of switching the existing model and to get approval to go forward with removing the Apecoin-only pool, and add Otherdeed staking in Year 2. The 10,000 ApeCoin would be used as incentive to get this contract built, and to implement any changes as part of the ensuing Discourse discussions.

Proposals submitted to the AIP Ideas category can be vague, incomplete ideas. Topics submitted here are not required to be submitted as a formal AIP Draft Template, however, you may still use the [template](#) if you wish.