



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: SUSANA ALCALA WOOD,
City Attorney

**SUBJECT: SETTLEMENT OF MARY
MARTINEZ v. CITY OF SAN
JOSE**

DATE: July 29, 2026

RECOMMENDATION

Approve the settlement in the case *Mary Rosario Martinez v. City of San José*, in the total amount of \$75,000 and authorize the City Attorney to execute a settlement agreement.

OUTCOME

The City will pay the sum of \$75,000.00 to settle the lawsuit filed on February 19, 2025, entitled *Mary Rosario Martinez v. City of San José*, in the Superior Court of California, County of Santa Clara, case number 25CV459323.

BACKGROUND

This action arises out of a motor vehicle accident. Plaintiff alleges that, on November 1, 2024, while traveling southbound on Santa Teresa Boulevard near its intersection with Bailey Avenue in San José, California, her car struck a dangerous condition in the roadway that caused total damage to her vehicle and injuries that required surgical intervention. The case presented a substantial risk of liability because the City had notice of, but had not repaired, the condition in the roadway.

ANALYSIS

This is a negotiated settlement between the parties to avoid the risks inherent in litigation. The City will pay plaintiff the total sum of \$75,000 in full satisfaction and settlement of all claims, and plaintiff will dismiss her entire lawsuit against the City with prejudice. The proposed agreement will conclude the litigation without further cost, expense, or risk of loss to the City. The parties will bear their own respective attorneys' fees and litigation costs.

PUBLIC OUTREACH/INTEREST

This memorandum and the Settlement Agreement have been posted on the City's website for the August 11, 2026, open session agenda.

COST SUMMARY/IMPLICATIONS

The settlement will be paid from the City's claims reserve fund.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the action recommended in this memorandum.

Fund #	Appn #	Appropriation Name	Total Appropriation	Recommended Budget Action	2026-2027 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	0018	General Liability Claims	\$12,100,000	\$75,000	830	6/16/2026, 31336

*The 2026-2027 Adopted Operating Budget was adopted on June 16, 2026, by the City Council.

CEQA

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

By: /s/ Susana Alcala Wood
SUSANA ALCALA WOOD
City Attorney

cc: Jennifer Maguire, City Manager

For questions, please contact SUSANA ALCALA WOOD, City Attorney, at (408) 535-1900.